US lists chemical weapons stores

The US took a step towards a chemicals weapons ban in the 42-nation UN com ensuce on disarmament by publishing a 33-page document.
Chemical Stockule Disposal Program listing the locations of all its chemical weapons storage sites and the specific chemical agents stored at each

US defauly representative Tho-use Raidbelines suggested that the mas Bundelmey suggested that the Soviet total should also be "open and cardid" about its chemical

weapons stockpiles.

The US and the Soviet Union have now agreed in principle to discuss problems of verifying nuclear weapons tests and talks are expected this sommer. Page 2

Israel retaliates

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Israell helicopters fired rockets on the Ali al-Hillingh Palestinian refugee camp in south Lebanon after two Ismeli soldiers and four Palestinians were killed in a gumbattle close to lazzel's northern border.

Achille Lauro verdict

Three Palestinians were sentenced by a General court to terms of 15 to 30 years for their part in the Achille Lauro hijack and murder, and three others, in their absence, to life

Base cuts outlined

The Spanish Government outlined cuts it wants in US military personnel based in Spain. Greece rejected US plans to modernise nuclear weapons storage sites in the coun-

Hawke backed

Australian Premier Bob Hawke won backing from his Labor Party's national conference for his eco-nomic strategy as New South Wales introduced patrol rationing because of a fuel distribution stoke Page 8.

Israel declines talks

brael Poreign smooth Victorial
Shame rejected brack leader Miskhail Gorbachevs call for the five permanent members of the UN Security Council to hold a conference

Bhopal appeal

Union Carbide is appealing against one condition of the US district court decision to send the suit asising from the Bhopal poison gas disaster to India. It wants the same "discovery" rules, covering how evi-dence is gathered, to apply to both

Uneasy Indian truce

Police reserves airlifted into Ahmedabad, western India, imposed an uneasy truce after 18 people died in clashes between Hindus and

EEC budget approved

The European Parliament approved plans for more than Ecu 35.16m (\$34.4m) in Community spending to clear the final hurdle in the protracted negotiations over the 1986 EEC budget Page 18

Banks closed

Bank workers striking in support of an 18 per cent pay claim closed down Portugal's Central Bank and nationalised banking sector.

Le Duan dies at 79

Le Duan, Secretary General of the the death of Ho Chi Minh in 1969 and first leader of the reunified

country, died aged 79. Hann's old men, Page 3 Question over 747s

last year's crash in which 524 peo-

Delay for digital audio tapes

ELECTRONICS: leading manufac turers are delaying introduction of digital audio tape equipment which is widely considered to pose a threat to the compact disc market.

COCOA prices improved on the London futures market on hopes that Geneva talks would result in agreement on a price-support part. The September position gained £55 to £1,358.50 a tonne. Page 30



WALL STREET: at 3pm the Dow Jones industrial average was 3.94 lower at 1,822.13. Page 38 TOKYO: prices ended lower after active trading. The Nikkei average lost 36.29 to 17,469.82. Page 38

LONDON: equities gained while gilts retreated. The FT-SE 100 added 12.1 to 1.626.7 and the FT Ordinary index rose 9.1 to 1.340.6.

Page 38 DOLLAR fell in London to DM 2.1745 (DM 2.1830); SFr 1.7775 (SFr 1.7855); FFr 6.9775 (FFr 6.9775), and Y180.35 (Y180.85). On Bank of England figures the dollar's index fell to 113.7 from 113.9. Page 31

113.7 from 113.9. Page 31

STERLING fell in London for \$1.5105 (\$1.5200) in 3.205 (DM 3.205 (DM 3.205) SF+ 2.6050 (SF+ 2.7250). FF- 10.5255 (FFe- 10.5775), and 723.25 (March 10.525) from 10.525 (March 10.525) from 74.9 Fage 31

GOLD has 50.25 for 394.25 on the Escheric March 10.525 from \$34.25 on the Escheric March 10.526 from \$34.25. Fage 36

CHINELES Continued no stable use all

CHINESE conternot possibly use all the colour Twisets which imported assembly lines would make, a re-port claimed Page 4

EUEOTUNNEI, the Anglo-French consortium planning to build a tun-nei between England and France, has postnomed a £200m (\$308m) share placing Page 6

MONTEDISON, Italian chemicals, energy and health care group, is to raise 1990m; (\$633m) through a rights same but the Milan bourse in pant to finance its acquisition of Fermenta of Sweden. Page 18

INMOS, troubled semiconductor subsidiary of Britain's Thorn EMI, is to cut 500 jobs at its US microchir plant in Colorado Springs. Page 18: Thorn EMI results, Page 24

SAFEWAY Stores, the giant US su-permarket chain which faces an un-solicited \$3.6bm takeover bid from the Dart Group, reported second quarter earnings of \$45.6m or 75 cents a share, down from \$49.9m or 83 cents a share for the same period last year. Page 19

FORD, second biggest US car manrotationer, is paying \$30m for a 10 per cent stake in Kia Motors, which is building the new minicar that Ford will introduce into the US market in the spring of 1967.

strengthened Standard Chartered Bank's chances of fending off the hostile £1.30m (£1.40m) takeover bid from Lloyds, Bank of the UK by buying almost \$15.00m (at the UK by buying the friendly Far Eastern investing the friendly Far Eastern investing the friendly Far Eastern investing Tam Sri Khoo of Malaysia, and another interests held by other allies Standard is now believed to be guaranteed almost \$25 per cent of the votes. The view that Lloyds bid—which PEUGEOT, French motor group, revealed that 59 UK financial institu-tions bought shares when Chrysler of the US recently sold a 12.5 per cent stake in the French company. Page 19

DEMINEX, West German oil ex-Question over 747s

Japan Airlines may retire its domestic fleet of Boeing 747 jumbo jets at 10 years instead of the expected 15, because of the number of cracks found in checks made after those world oil prices continues — in which case, according to Ernst Hotz, its chief executive, drastic measures" would become virtually unavoidable. Page 28

BP to pay \$500m | Andreotti is for Ralston Purina animal feeds unit

make animal feed the largest nonoil business in the group's portfolio, outstripping its chemicals division which last year had sales of £1.9bn.

Ralston Purina is the world's higbusiness, believed to be much more than 90 per cent of earnings smaller, which is not to be sold. BP Nutrition, BP's animal feed products. division, is claimed to be the largest producer in Europe, and is possibly next after Purina in the world

BY MICHAEL HOLMAN, AFRICA EDITOR, IN HARARE

group, it to buy Purma Mills, the animal field division of Ralston Purina of the US, for an estimated \$500m. The deal will make BP much the biggest animal feed producer in the world, with sales of around c2bn (\$5.06m) and capacity of more than am tons a year.

The acquisition is the largest undertaken by BP since its 1980 purchase of Selection Trust, the mining finance house. It seems likely to make animal feed the largest non-liam Stiritz took over as chief the largest make animal feed the largest non-liam Stiritz took over as chief the largest make animal feed the largest non-liam Stiritz took over as chief the largest make animal feed the largest non-liam Stiritz took over as chief the campany's dra-liam stirity took over as chief the campany's dra-liam the deal was completed. It is believed that Purma makes substantially larger profits that BP Nutrition on somewhat higher turnover.

Halston Purma Mills, the deal was completed. It is believed that Purma makes substantially larger profits that BP Nutrition on somewhat higher turnover.

Halston Purma was founded in the deal was completed. It is believed that Purma makes substantially larger profits that BP Nutrition on somewhat higher turnover.

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Halston Purma was founded in the deal was completed. It is believed that Purma makes substantially larger profits the deal was completed. It is believed that Purma makes substantially larger profits the deal was completed. It is believed that Purma makes substantially larger profits the deal was completed. It is believed that Purma makes substantially larger profits the deal was completed. It is believed that Purma makes substantially larger profits the deal was c

liam Stiritz took over as chief ex-

earlive four years ago.

Although he described yesterday's announcement as "a very difficult decision," it fits, in with Ralgest producer of pet food, and its ston Purina's increasing emphasis Purina Mills division is the largest on more profitable consumer packproducer of animal feed in the US aged goods. Last year, for example, and possibly in the world. It has anconsumer products accounted for 61 imal feed capacity of well over 4m per cent of sales and 78 per cent of tons a year, against BP's 3.7m tons, operating profits, while animal and claims to have 10 per cent of products accounted for 27 per cent the entire US animal feed market. of sales and only 12 per cent of profits also has an international feed its. With the sale of Purina Mills will come from consumer packaged

The group's US animal feeds business has been hit by the con-tinuing recession in the US farm league. It had sales last year of belt and the reduction in meat con2958m, producing operating profits
of £37m on capital employed of
£254m.

hand the reduction in meat consumption by a cholesterol-conscious
nation. Ralston is retaining its international feed businesses and

Howe fails to win over

Mugabe with EEC plan

Pao boosts Standard Chartered

SIR YUE-KONG PAO, the Hong not now succeed caused a sharp fall kong shipping magnate, yesterday in Standard's share price after the strengthened Standard Charteged fluity of Far Eastern buying substituting off the lostile £1.3 hr (£1.3 hr) (£1.3 hr) though a nevival of buying interest the hostile £1.3 hr (£1.3 hr) though a nevival of buying interest they succeeded in thwarting Lloyds from Lloyds, Bank of the UK by buying aimost fit, per cent of its shares with only 48 hours to go.

The compares with the \$42p at the purchases could here acquired \$15 hr shares at an estimated cost of shouts \$1.5 hr shares at an estimate \$1.5 hr shares at an estimate \$1.5 hr sh

ingy for Standard Lloyds own shines gained strongly, rising 150 to 419p.

The arrival of strong Far Eastern

defence by taking 10% stake

BY DAVID LASCELLES, BANKING CORRESPONDENT, IN LONDON

teed almost 25 per cent of the votes. support for Standard caused some The view that Lloyds' bid – which surprise in the City of London, closes at noon tompriow – might which had begin to expect Lloyds

BRITISH Petroleum, the UK oil group, is to buy Purina Mills, the animal field division of Ralston Purina of the US, for an activated overseas.
Ralston Purina has been cited as

a takeover target in an industry which has been going through con-siderable rationalisation, and Mr Stiritz has spent the last four years teshuffling the portfolio in a bid to enhance shareholder value and insulate the company from an unwel-

He bought Continental Baking for \$500m from ITT in 1984 and earlier this year paid \$1.4bn for Union Carbide's Everendy battery business. Meanwhile, it has shed its grain merchandising business, its St Louis Blues professional hockey team and its fast food chain. The restructuring has been reflected in a strong share performance. Since Mr Stiritz took over, the shares have risen from about \$10 to a peak of \$76% last week. They slipped by \$% to \$74% in early trading yester-

BP Nutrition, the product of a 10year acquisition programme in var-ious European countries, is re-garded by BP as one of the most successful of its attempts to diversi-fy away from oil. The decision to the Purina acquisition is thought at

Call for day of action, Page 3; Preparing for siege, Page 16

said the Far Eastern investors had

bought the shares because they re-

cognised the strong underlying val-ues of the Standard Chartered

Bank group. He was not aware of any other plans, he said.

Continued on Page 18

asked to form government

PRESIDENT Francesco Cossiga yesterday asked Mr Giulio Andreotpolitician, to try to form Italy's next ecutive leadership meets this morn-

1983. His recall is an attempt to end the two-week-old government crisis the Socialist parliamentary whip, which has centred on a struggle for called the Andreotti appointment the prime ministership between the "useless."

Christian Democrats and the Socialist Party of Mr Bettino Craxi, who has held the position for the vived no fewer than 27 impeachments of the prime who has beld the position for the vived no fewer than 27 impeachments of the prime who has beld the position for the vived no fewer than 27 impeachments of the prime who has beld the prime ministership between the "useless."

Mr Andreotti, aged 67, is the classic Italian politician. He has such as the prime ministership between the "useless."

last three years.

Mr Andreotti's aim is to form a would begin a round of consulta-tions today or tomorrow with the other parties in the coalition - the Socialists, Republicans, Liberals and Social Democrats.

Mr Andreotti has not yet formally accepted the mandate as prime minister-designate. He would do so only when he was satisfied that a workable coalition was possible. A new Italian government could be formed by next week at the earliest.

The Craxi Government collapsed on June 25 after a parliamentary

PRESIDENT Francesco Cossiga As of last night, Mr Craxi had not yesterday asked Mr Giulio Andreotti, the veteran Christian Democrat Andreotti. The Socialist Party's exing in Rome to consider its strate-Mr Andreotti, who was Prime gy. Some Socialist deputies, how-Minister five times in the 1970s, has ever, said last night the appoint-been Foreign Minister since August ment of Mr Andreotti would aggravate the crisis. Mr Rino Formica

ment attempts during a career Mr Andreott's aim is to form a which has spanned more than 40 government capable of surviving to the end of the present parliament in the autumn of 1984 when he effortlessly survived parliamentary votes designed to remove him from office for his alleged protection of the late Michele Sindona, the convicted Sicilian financier, and for his supposed role in appointing a corrupt head of the Italian secret ser-

> Another past accusation against Mr Andreotti, who is sometimes referred to in Italy as "the maestro," has been the claim that some of his political associates have been involved with the Sicilian Mafia.

on June 25 after a parliamentary defeat. As the crisis deepened, President Cossiga decided to ask Mr Amintore Fanfani, the 78-year-old in the Christian Democrat Party Senate leader, to mediate between the feuding Socialists and Christian Party.

Mr Andreotti commands an important parliamentary faction with the Christian Democrat Party.

£ driven down by oil fears

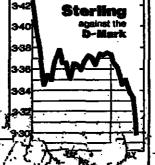
By George Graham in London THE POUND fell sharply yesterday. as falling oil prices promply of errors the UK's balance pents and see Government

SIR GEOFFREY Home, the British black South African leaders, even haps afficial opportunity for Mr Bottoning Secretary, extender of the south african black South African leaders, even haps afficial opportunity for Mr Bottoning Secretary, extended to the south african black South African black South African beautiful to the second leg of his current southern Africa tour in Harare, the would be meeting Mr George there was no evidence that Mr Mugabe, Zimbalbue's Frime Minister.

Before flying to Maputo, the capital of Mozambique, for talks with the use of the meeting Mr George that Mr Mugabe, Zimbalbue's Frime Minister than the dear that the days of apartheid are numbered that Sir Geoffrey amounted that the days of apartheid are numbered to the African leaders, even haps affield opportunity for Mr Bottonium of the character of the meeting Mr George that Mr Mugabe, Zimbalbue's Frime Minister of the second leg of his current southern Africa tour in Harare, the was no evidence that Mr Mugabe was moved by Sir Geoffrey's exposition of what has become known as the European Community for Mr Bottonium of the character of the would be meeting Mr George that Mr Mugabe, Zimbalbue's Frime Minister of the would be meeting Mr George that Mr Mugabe was moved by Sir Geoffrey's exposition of what has become known as the European Community for Mr Bottonium of the character of the would be meeting Mr George that Mr Mugabe was moved by Sir Geoffrey's exposition of what has become known as the European Community in the character of the would be meeting Mr George that Mr Mugabe was moved by Sir Geoffrey's exposition of what has become known as the European Community in the character of the would be meeting Mr George that Mr Mugabe was moved by Sir Geoffrey's exposition of what has become known as the European Community in the character of the would be meeting the was moved by Sir Geoffrey's exposition of what has become known as the European Community of the African leaders he is seeing the was moved by Sir Geoffrey and the would be mee Sterling dropped 3% mennigs against the D-Mark and aearly 1 cent against a weaker US dollar to end at DM 3.2975 and \$1.5165. The nese rates. fall pushed up interest rates on the tal of Mozambique, for talks with Mozambique President Samora light to the Africa leaders he is seeing to the Africa twice during his furthcoming visit to the republic at the end of this month. Officials in Pretogla said the meetings had been fixed for July 22 and 29.

Sir Geoffrey, who was speaking at a press confesence after what he described as "friendly, open and direct talks" with Mr Magabe, in spite of their disagreements, said it was not yet clear what he described as "friendly, open and direct talks" with Mr Magabe, in spite of the detained African National Congress leader, Mr Nelson Mandela, thring the period between his two meetings with President Botha, he would be able to have talks with the European Community and the US see as what is personal for day of action, Page 3; Preparing for siege, Page 16 London money markets and edged Government securities, but Brendan Brown of County Bank, the markets remained very uncertain about official interest rate political westminster.

gabe said that the same ground had been covered by the Eminent Perpendently, and some questioned pendently, and some questioned whether it would even prove possi-



ble to follow any cut in US or Japa-

pound hasn't reacted to lower oil

cy.

A Treasury working paper last exceed the weight of the not the European continuous further blow to the chances that the per cent for a 10 per cent fall in the the per cent of the weight of the continuous further blow to the chances that the per cent for a 10 per cent fall in the the per cent of the weight.

Continued on Page 18 | coa could they use non-co Money markets, Page 31

Brussels wraps up a sticky chocolate truce

By Paul Cheeseright in Brussels

THE FORCES of cocoa butter and vegetable oil have been held apart. The battle of the chocolate soldiers can stop - at least for a while. The roblem is to know whether anyoody realises that there is a truce. Quietly, the European Commis sion has withdrawn proposed legis-lation that would have had the eflect of providing a European Com-munity definition for chocolate. Mr Peter Sutherland, the Commissioner for competition, slid out the inormation in reply to a question in the European Parliament. Apart from that, no formal announce-

In effect, the Commission has said that it will not try to find a way through the conflicting interests on the one side of Britain, Denmark and Ireland and on the other the late producers to reach a common definition of chocolate.

This is the sort of decision which in normal circumstances would have led to the conclusion that the whole matter is just another case of arcane Brussels interference into the irrelevant. Since when, it might be asked, has chocolate been a force for European unity, or disun-

But not a hit of it. Here is a mat ter which has stirred the spirit of parliamentarians and thrown up national rivalries and suspicions. There are very few cases where the Commission has withdrawn pro-posed legislation because of rows in the European Parliament.

The parliament was the scene for bitter argument, full of undertones of the British trying to subvert the continent with chocolate that was full of something else other than chocolate, and of perficious continental Europeans trying to protect their markets from British products which after all have satisfied the British for decades.

It all good to let in 1973. Then, the

joined i agreems, which co. might circ fats from chocoi Now, the new men vided the weight of the

40 per cent of the weight Continued on)

It's not all squash* there's plenty of room to grow &



The Cambridge Science Park has been created by Trinity College, which has included illustrious scientists among its members: Newton, Clerk-Maxwell, Rayleigh, J. J. Thomson, Rutherford, Gowland Hopkins, and many more. Applying the wide range of local scientific expertise to helping high-technology is the main aim of the Park. Contacts between the University and the Park are numerous, varied and fruitful encouraged by a grants scheme for company staff seconded to University Laboratories on work of mutual interest. The Park is England's first and largest academic-related project of its kind. Buildings in Phases 1-3 (82 acres) range from 120,000 sq ft prestige headquarters to 400 sq ft units for small companies or large company listening-posts; and contain 65 occupiers.

Adder Technology Agricultural Genetics Alper Systems Altek Automation Analysis
Ashley Hall Associates
Ashromed
Brady Research
Cambridge Consultants
Cambridge Consultants
Cambridge Electronic Design
Consultants
Consultants
Consultants

Cambridge Intervals Deagn Cambridge Interconnection Tec Cambridge Life Sciences Cambridge Mass Spectrometry

Cambridge Micro Computers Cambridge Nutrition Cambridge Online Systems Cambridge Robotics Cambridge Venture Ma

Coherent (UK)
Computer One
Corabb Research
Data Analysis and Research
Datascope Medical
D.L.B. Systems
Gill Jennings & Every
Goodfellow Metals Hawkins (R.B.) and Associate IBM (UK) ICV Electro intervet Laboratories Interactive Products
Investors in Industry
Laser-Scan Laboratories

LKB Biochrom Marconi Applied Research Laboratory Microelectronics Research Laboratory

Organon Teknika Signal Processors Synoptics Syscon Tadpole Technology Torus Systems Trinity Centre Ultra Violet Products

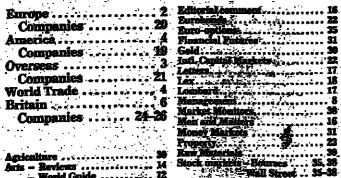
Vaisala (UK) Voice Systems In

Phases 4 and 5 (about 30 acres) will provide landscaped buildings or ground-lease sites for companies large and small.

A place - indeed, THE place - at Cambridge for research, development and production.

CAMBRIDGE SCIENCE PARK

*Two fine squash courts were opened recently beside the Trinity Centre (which provides conference rooms, together with a common room to encourage inter-company contacts). Squash first developed in schools during the 1880s particularly under a Trinity headmaster, Montagu Butler, who became Master of Trinity in 1886, just a century ago.

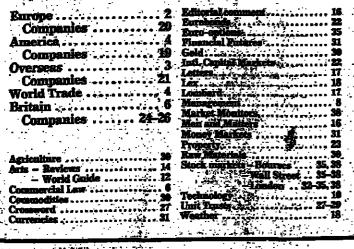


New Zealand Lange, spies Pretoria: preparing for a

Management: autonomy at a Politics today: post office and

Soviet car plant: 8 the people 17

Technology: Pireth builds on Lex: SCB/Lloyds; Thorn



and trade 3 siege economy 16

Guyana: currency hawkers Lombard: corporate image steal limelight. 4 and reality 17

success 10 EMI 18

Mitterrand believes summit likely

BY PATRICK COCKBURN IN MOSCOW

OBSTACLES REMAIN to a summit meeting between Mr Mikhail Gorbachev and President Ronald Reagan, the French leader, Mr Francois Mitterrand, said here yesterday at the end of a three-day visit. But he personally believed it would take place.

President Mitterrand's talks with Mr Gorbachev and the visit London next week of Mr Eduard Shevarnadze, the Soviet Foreign Minister, mark a sharp increase in soviet efforts to influence West European leaders as nuclear arms negotiations and talks about a summit reach a critical phase.

The confidential discussions also mark a return to better relations between Moscow and Paris which had cooled since Mr Mitterrand was elected to the presidency. He praised Mr Gorbachev yesterday as " a major

On the question of France's independent nuclear deterrent, Mr Mitterrand, told a news conference that he rejected any separate negotiations with Moscow. The French position remains that it will only con-sider a cut in its own nuclear forces after the superpowers have agreed measures for reducing nuclear arms.

President Mitterrand went out of his way to highlight Mr Gorbachev's most recent pro-posals for arms cut saying: "One has to recognise that Mr Gorbachev has recently put forward some fairly sensational arms proposals. The proposal to extend the 1972 Anti-Ballistic Missile treaty for a further 15 years was key to any new agree—stage of an agreement to reduce ment, he said. He also criticised intermediate nuclear forces



Mr Mitterrand (left) bids goodbye to Mr Gorbachev and his wife Raisa at the end of his visit yesterday.

an understanding.
Dr Owen also saw as a signifi-

cant step forward the Soviet proposal for a preliminary meeting on the Middle East of

the five permanent members of

the UN Security Council, Diplomats expresed doubt yesterday

about how much of an advance it was on Moscow's long-running proposal for a conference of interested parties on the Arab-

Reginald Dale, US Editor, and the Soviet Union have

agreed in principle to discuss problems of verifying under-

had claimed responsibility for the Paris bambing, the

timing coincidence was an element which supported

widespread speculation blam-

ing the terrorist group Direct

Israeli dispute,

the US for saying it would offered the best chance of such abandon Salt 2.
Dr David Owen, leader of Britain's Social Democrats, who saw Mr Anatoly Dobryinin, the Communist party central committee secretary in charge of international affairs, yesterday confirmed the French president's belief that the summit will take place, though he stressed this was a personal impression. He said that Mr Dobryinin

was very clear that the Soviet Union must be assured of a "substantive" agreement on nuclear arms control before agreeing to a summit. The first

on "some sort of technically acceptable means of inspection," one official said. The objectives of the two sides, however. appear to differ.

some time this summer.

The Soviet Union is expected to use the talks to renew its call for a total ban on nuclear weapons tests, which the US has rejected. Washington's aim is rather to raise concerns about verification of existing agreements, including the unratified 1974 threshold test ban treaty, which limits nuclear weapons tests to a yield of 150 kilotons.

the Reagan Administration, US officials said yetserday. The talks would probably be held

The US would hope to agree

Meanwhile, the Administra-tion continues to be sharply divided on how to respond to Mr Gorbachev's latest proposal to reduce strategic nuclear weapons in exchange for a US commitment not to withdraw from the anti-ballistic missile treaty for 15-20 years. Such a commitment would prevent the US from deploying space defences under President Reagan's Strategic Defence Initiative (Star Wars) although research on the prone could continue

Mr George Shultz, the Secre-tary of State, is understood to be interested in exploring the Soviet proposal, perhaps with a commitment to adhere to the commitment to adhere to the ABM treaty for five or six years, in exchange for deep cuts in strategic weapons. Mr Caspar Weinberger, the Defence Secretary, on the other hand, remains administrative ornered to any limits. adamantly opposed to any limits on future deployment of missile defences.

France decides not to build neutron bomb

BY DAVID HOUSEGO AT SUIPPES MILITARY CAMP

THE FRENCH Government has decided against producing the controversial neutron bomb — the tactical nuclear weapon which can be used on the battle-field to halt an armoured advance by killing people with-out damaging equipment or

The decision marks a reversal of the pre-electoral ments of Mr Jacques Chirac's right-wing alliance which specifically said in its election manifesto that funds would be made available for building an "enhanced radiation weapon" as part of the strengthening of France's defence forces.

The manifesta described the DJ Transport DJ Unities 1,825,37 pon 750.13 ision in 199.33 particu-LONDON

FT-SE 100 would also seem FT-A All-sharp to the beliefs from 1987-1992. Mr Andre FT-A 500 Franco's Mitter-FT Gold mines long said that FT-A Longa capability to build bould bound bound but had left and shortfall in allocations this year bomb but had left and says the current five year rollyo Sed out in the South ast year which Green Mr Chirac presided over a stylear which Green Mr Chirac presided over a plan needs to be scrapped as say year which Green Mr Chirac presided over a must year to 3.8-3.82 per cent of the disadvantage of France. Mr Chirac presided over a must year to 3.8-3.82 per cent of the disadvantage of France. Mr Chirac presided over a must year to 3.8-3.82 per cent of the disadvantage of France. Mr Chirac presided over a ministerial gathering on defence at the Sulppes camp yesterday before watching army exercises.

ain puts

US bases

proposals

Police collaborate on bomb cases

FRENCH INVESTIGATORS hunting bombers who struck the offices of a special police squad in Paris on Wednesday are working with West Gerare working with West Ger-man authorities investigating a terrorist attack that occurred the same day, AP reports from Paris. Mr Charles Pasqua, Interior Minister, told reporters that while those investigating the

Paris explosion did not favour any particular theory, "one cannot fail to make the parallel with the track in Muni-

are a slowing down of the re-placement programme for the long-range strategic nuclear missiles located on the Plateau d'Albion Mr Kark Heinz Beckurts,

d'Almon.

The Government has now discarded the costly mobile SX system adopted by the socialists, and moving instead to a two-stage programme of which the first phase could be two or three gratics on all delivered long. was killed on his way to work on Wednesday when a roadside bomb was detonated readside bomb was detonated as his car passed. The Red Army Faction claimed responsibility for the attack. "We are in permanent contact with the Germans," Mr Pasqua said. Although no one had claimed perponsibility cruise or air delivered long-range missiles.

The land-based missiles cur-rently constitute the second leg of the French nuclear triad of which the other elements are the submarine strike force and airborne missiles. - Additional - savings - 376 - also expected to come from abandon-

DJ Transport

DJ Transport

DJ Unities

199.33 particu199.33 particu199.33 particu199.33 particu199.33 particu199.35 particu199.36 particu199.36 particu199.37 particu199.38 ning the project for Syracuse 2

a proposed military telecom-

W German regions want more cheap money from Bundesbank

federal Parliament which

groups Laender representatives,

to try to ensure that they get

advances from the Bundesbank

at the discount rafe, and hence

more cheaply than they could

For example, the discount

7.5 per cent and day-to-day

public sector borrowers rela-tively cheaply over liquid

money rates at 20 per cent. The system thus helps the

A HIGHLY unusual squall has blown up between the West German Bundesbank, the inde-pendent central bank, and the SPANISH NEGOTIATORS yes-terday outlined at talks here proposed cuts in the number of US military personnel stationed Laender — the regional states. The Bundesbank president, Mr at joint bases in Spain. The proposals are in line Karl Otto Poehl has accused the Laender of launching an attack "by the back door." Mr Horst Gobrecht, the normally soft-spoken chairman of the with a policy package for Spain's continued membership of Nato which was endorsed in or Nato when was entured in a referendum in March. The plebiscite's preamble included an undertaking by the Govern-ment to reduce the level of US Lacader finance ministers' con-ference, retorted angrily this

week that the Bundesbank was "not the Holy See." The Madrid talks, which At stake is the Kassenkredit—the cash advances which the follow on a commitment obtained last December from Bundesbank makes to the federal Government and the the US to discuss a phased troop reduction, are the opening round of negotiations to renew a defence agreement that expires in 1988.

It has been renewed periodically agreement of the second of the regional states to belp them bridge short-term liquidity shortages. Since 1967 the federal Government has been able to obtain advances up to ally since it was first signed in 1953 and allows for a maximum a maximum DM 6bn (£1.8bn) and the Laender up to "only"

of 12,500 military personnel DM 2.6bn. The Spanish team is under-The latter have now made clear to the shocked central stood to be seeking US with-drawal from the air base at bankers that they want a rise in their credit ceiling of no less Zaragoza, which includes refuelling facilities and a bombthan 150 per cent to DM 6.5bn. ing range, and from that at Moreover, they are taking legislative action via the Bun-desrat, the upper house of the Torrejon de Ardoz near Madrid where combat aircraft are

No reductions are believed to be sought at Moron, near Seville, which is primarily a communications centre, or at Rota, near Cadiz, which is an Seville, which is primarily a communications centre, or at Rota, near Cadiz, which is an important depot for the Sixth Tlast

The US position, as outlined last December, is that the nego-tiated cuts hinge on Spain's commitment and capacity to obtain finance on the open substitute the missions cur-rently carried out by the US For e

A potential stumbling block whereas day-to-day money from forces in Spain. is that Spain, under the Nato referendum policy package, will cent more. A few years ago the continue to be outside the alliance's integrated william of the spain and the alliance's integrated military marked, with the discount at command. While this remains the case the Spanish forces are unable to meet the condition of in the alliance framework.

Poehl: attack by the back

The Laender complain that their budget volume has long been rising faster than that of the federal Government, but that no change has been made

1 per cent. The Bundesbank firmly rejects the Laender case, and is supported by Mr Gerhard Stoltenberg, the federal Finance Minister. The control bare

extra flexibility in making cash and credit decisions which the federal government does not

have.

But, behind that technical

Bundesbank has But, behind that technical argument, the Bundesbank has more serious worries about its independent status and the control of inflation. When the Laender decided to try to have their credit ceiling raised, they slipped their proposal into a kind of catch-all bill before Parliament designed to make (in part purely formal) amendments to existing acts. This is the "back door" to which Mr Poehl referred.

The Laender move would mean an amendment to section 20 of the Bundesbank Act. If the Lounder get away with that move so easily, the Bundesbank fears, might not a precedent be set for other legislative steps which would whittle away the central bank's independence?

Moreover, the Bundesbank has

always insisted that Kassen-kredit involves only short-term liquidity injections, not lending to finance budget deficits direct which would be inflationary. bottlenecks without exposing them to the imponderables of the money morket.

The Luender complain that their budget volume has long been rising faster than that of the federal Government but most borrowers treat the credit that way, but the central bank that way, but the central bank that way, but the central bank to the money morket. Thus an increase the credit to save budget revenue. Thus an increase is the federal Government but argued widen the scope for misargued, widen the scope for misusing the system.

in the system of cash advances to take account of this. Whereas the Kassenkredit they could obtain at the end of the 1960s was equivalent to more than 4 per cent of their budget volume. The desire for a higher ceiling unites all regional governments, whether of the powadays the share is around the per cent of the political left or right. But Mr. Poehl still has a trick up his sleave.

US reveals locations of chemical arms stores By William Dullforce in Genev

THE US yesterday disclosed the locations of all its chemical weapons storage sites in the US and suggested that the Soviet Union should also start being candid about its

stockpiles. The move was intended to accelerate work towards a convention banning chemical weapons in the 42-nation UN conference on disarmament, Mr Thomas Barthelmey, the US deputy representative, said.

said.

Declaration of existing stockpiles and plants for manufacturing chemical weapons is one of four major issues on which the US has called for action. The others are agreement on the right to inspection on challenge, the destruction of production facilities, and the misuse of the chemical industry....

We Barthelmey circulated Mr Barthelmey circulated at the conference yesterday

at the conference yestertay the programme for stockpile disposal prepared by the US army toxic and hazardous materials agency.

It describes in detail the specific chemical agents located at each US site, the

type of weapon or container used and the share of the used and the snare of the total US-based tonnage located at each site. The US army also has a stockpile in West Germany. Confidence in the process

towards a chemical weapons ban would be helped if the Soviet Union, the nation with the world's largest stockpile, would also be open, Mr Barthelmey said.

But in a conciliatory passage he recognised that at this stage of the negotia-tions countries could not open their files completely.

French Disneyland given go-ahead

The He de France regional council voted yesterday to give the go-shead to the creation of a European Discreation of a European Dis-neyland east of Paris, revers-ing its vote two weeks ago re-fusing permission, Renter reports. A final contract is unlikely to be signed until September, however. Coun-cillors who previously opposed the theme park said they were satisfied with new pledges by Wait Disney on employment provisions; and the inclusion of non-American themes:

Progress on tax evasion accord

An international convention to help fight tax evasion moved a step closer to becoming law yesterday when the fiscal committee of the Organisation for Economic Cooperation and Development endorsed the plan. Reuter reports from Paris, it would allow automatic exchanges of corporate and personal tax details between countries, speed up handling of requests for tax information in cases of suspected fraud and make it easier for tax officials to recover funds owed by ex-patriates.

Olympic Airways pilots penalised Property worth \$300,000 belonging to 15 Olympic Airways pilots and flight engineers who went on strike last month has been confiscated by an Athens court, Reuter reports. The court accepted petitions for compensation by the state airline against the pilots and engineers who were among engineers who were among 600 who refused to work during an 11-day strike.

Warrant issued in aid funds scandal

A Paris judge has issued an intensational arrest warrant against Yves Chalier, key figure in a scandal over the disappearance of African aid fends during the former Socialist government, police told Rester. told Renter.

Challer, whose whereabouts are unknown, was chief aide to former Co-operation Minister, Mr Christian Nucci, and treasurer of Carrefour du Developpment (Development Crossroads), set up to promote France's relations with Africa and the Third World in general.

Tim Dickson describes how the deal was done Community conjours up a budget at last

"YOU DON'T need to know anything about budgets. The best qualification is to be a member of the Magic Circle." Few of the finance ministers, MEPs, EC legal officials and, most of all, journalists, who eventually staggered out of the Council of Europe building in Strasbourg in the early hours
of yesterday morning would money completely as MEPs and
have argued with this remark
made by Mr John Tomlinson,
made by Mr John Tomlinson,
week has been thick with the

made by Mr John Tomlinson, spokesman for Britain's Labour group in the European Parliament's budget committee.

For many at least, his observation seemed an appropriate commentary on a lengthy session of backroom bargaining which effectively paved the way for yesterday's long overdue settlement of the Community's 1986 budget.

By EEC standards, of course, the nine hours of negotiations represented a relatively short sprint compared with the 23 hours of uninterrupted talks which preceded agreement on

which preceded agreement on spending in 1984. On that occa-

spending in 1984. On that occasion it was the fiercely fought issue of Britain's budget rebates which created the stumbling block.

But while the Community may not have set a new record in red eyes and crumpled pinstripes, there were plenty in Strasbourg yesterday who felt that the budgetary authorities had reached new levels of financial manipulation.

The background to this week's crisis was the member states' decision last December to challenge the European Parliament's right to set a 1936 budget which technically exceeded its margin by Ecu 600m (£384m). The margin is the amount of money over which it has discretion to allocate resources to so called non-compulsory

that the Community had an obligation to carry out its pro-

Court upheld the member states' complaint but effectively knocked the two sides' heads together by telling them to get back to the negotiating table and settle their relatively minor

differences.
With the prospect of the Community running out of money completely as MEPs and talk of compromise and good-will. At the same time, how-eevr, MEPs, who have relatively

While the EEC may not have set a record in red eyes and crumpled pin-stripes, there were many yesterday who felt the budgetary authorities had reached new levels of financial manipulation.

little power within the EEC except during budget discussions, have been anxious to reassert their constitutional role and have thus attempted to drive a hard bargain with the finance ministers. Opinion Inevitably

divided yesterday as to who had won. "A victory for common-sense," Mr Peter Brooke.

Britain's Minister of State at the Treasury and president of "non-compulsory spending" The key device—and the one which presumably inspired Mr which presumably inspired Mr which presumably inspired Mr tombinson's verbal flourish—was the creation for the 1986 budget purposes alone of a inearlier years (the so called "negative reserve" of Ecu 150m, "burden of the past"), and that the Community had an "black hole." This effectively eliminated the gap between the extra Ecu 218m which the Par-

liament's budget committee insisted should be added to the budget as commitment (legal obligations to spec money in future years) the maximum figure of Ech for which budget ministers were ultimately prepared to wear. The latter figure had edged up during the previous evening through a painful process of negotiation, with the Datch apparently adopting a particular larly tough stance and being joined in their opposition by the West Germans, French and

Belgians. While most institutions are familiar with a "reserve" to cover emergency spending not cover emergency spending not anticipated when their budget is set, the EEC's negative reserve" reflects the fact that many of the commitments (some of them entered into years ago and carried over) will never actually be fulfilled. As one MEP put it: "We have created an underdraft."

Resolution of this problem.

reated an underdraft."

Resolution of this problem followed earlier and equally followed earner and equally Byzantine negotiations over a sum of Ecu 123m which the Parliament wished to restore to non-compulsory spending on aid to developing nations and technology research. The trouble was that only Ecu 32m was available within the legal ceiling on EEC spending. In the end, the balance of Ecu 31m was transferred from resources allocated to transport infrastructure which is unlikely to be used this year.

The British Government will the Budget Council, said rather unconvincingly at 3.15 am. But those parliamentarians who understood what was going on were certainly claiming that they had won most of what they set out to achieve.

The key device—and the one which presumably inspired Mr. certainly breathe a sigh of re-lief that its six-month term in costs of supporting agriculture which take up the lion's share of spending—will not go kway. Honour may have been satisfied between the various insti-tutions for 1986, but, with the EEC right up against its spend-ing ceiling already, thougher will be turning to problems ahead for 1987.

Hijackers

given life

sentences

Sentenced three Palestinians, including guerrilla leader Abu Abbas, to life imprisonment for their part in the hijacking of the Achille Lauro cruise liner

last year, Reuter reports from

Neither Abbas, who was freed

by the Italian authorities after the hijack, nor two of his close

associates who were also given life sentences, is in custody.

The court sentenced three captured hijackers to jail terms ranging from 15 to 30 years. The heaviest of these sentences went to the alleged ringles of the sentences went and the sentences went to the alleged ringles of the sentences went and the sentences went as the sentences were as the sentences were as

to the alleged ringleader, Magled Al Molqi (23). It acquitted four of those accused and handed down five other sentences ranging from six months to seven and a half years.

years.
Abbas and his two associates;

Abbas and his two associates. Ozndin Badratkan and Zied El-Omar, were found guilty of organising the two-day hijack in waters off Egypt last October.

A sentence of 24 years and two months was imposed on a second hijacker. Ibrahim Abdelatif (21). The third hijacker in court, Ahmed all Assadi (24), who co-operated with Italian investigators, was given a lighter sentence of 15 years and two months. During the trial, Molei and Abdelatif screamed death threats in

rne trial, Molqi and Abdeistif screamed death threats in Arabic at Assadi.

The prosecution had demanded seven life sentences, of four 30-year terms and jall for from three to 12 years for the rest of the 15 defendants.

Two accomplices of the hi-jackers, Mohammed Issa Abbas and Said Gandura, the only other defendants in custody.

were given sentences of six months and eight months. The

court ordered that Gandura be freed immediately.

Norway unveils plans to ease petroleum taxes

BY FLEMING DAHL IN OSLO

NORWAY'S GOVERNMENT spokesman for the oil industry yesterday proposed changes in association, which groups it the petroleum taxation system Norwegian and foreign com in an attempt to secure continued exploration and development on the Norwegian continental shelf following the for new activities."

plunge in oil prices.
One of the changes proposed is that royalties would be reduced to zero for future oil and of Oil and Energy, Mr Arne Ocien, had been to stimulate gas fields. Today the royalty rate varies between 8 and 16 future exploration and develop per cent of produced petroleum seeking to maintain revenues from existing production.

value.

Another change would be that depreciation could start in the first year of investment, whereas at present a field must first be on-stream.

Foreign companies in future would no longer have to pay exploration costs for Statoli, the state oil company. And the rate of special tay on oil companies.

of special tax on oil companies would be reduced from 35 per cent to 30 per cent. Mr Odd Einar Foss-Skiftesvik, next year.

Portugal raises capital requirements for banks

PORTUGAL'S Finance Ministry
has increased the Es 1.5bn
(£6.6m) minimum capital requirement for banks to
Es 2.5bn, a two-thirds leap that
is five times the requirement in is five times the requirement in Sweden, and some £600,000 larger than that in Spain whose market is 10 times bigger than

market is 10 times bigger than Portugal's.

The Ministry published the change, in a supplement to the official Gazette on June 30 but without any official announcement so far to the banks. It justifies the move on the grounds of erosion by inflation since the capital requirement since the capital requirement was established in 1984 and because of a need for banks to be more solid. Banks have a year to bring their capital up to the new requirement. to the new requirement.

The six branches of some of the world's largest banks established in Portugal since late 1984—Barclays, Chase Manhattan, Citibank. Manufacturers Hanover Trust, Banque first six months. In Spain it Nationale de Paris and increased by 20 per cent.

cern, according to the Minister

ment, while at the same time

The oil companies have worked under the present taxa-tion system since 1980, when

oil prices were around \$40 a

The Government said the proposed changes would be dis-cussed with the oil companies

during the summer and that a new system would be made

effective from the beginning of

barrel.

"Solidity" arguments apply to nationalised Portuguese banks whose capital is weak. The foreign banks, whose branches are backed by huge head office capital, feel the small Portuguese market does not call for a leap to minimum capital close to that of Switzer-land. Even the Fe 15be land. Even the Es 1.5bn requirement was considered by many foreign banks to 5e too steep for a small, depressed economy. The market has grown a little

since then, but the Government has dragged its feet over intro-ducing commercial paper and certificates of deposit that can diversify funding.

A French court today sentenced suspected guerrilla leader Georges Ibrabint Abdallah to four years in prison on arms charges, Reufer reports on arms charges, Reuter reports from Lyon.

Abdallah (35), who is also known as Abdel-Rader. Saadl, was tried here under heavy, police security on charges of illegal possession of arms, explosives and false identity

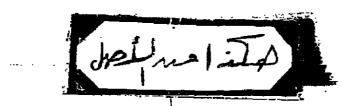
Ruiz-Mateos goes back to jail

THE FORMER chairman of the Rumasa banking and business holding, Mr Jose Maria Ruiz-Mateos, returned to a maximum security jail outside Madrid yesterday accompanied by the brought the Rumasa holding with the recognition of plots and said his life was at vestigating charges of internal risk in prison. accounting fraud that allegedly brought the Rumasa holding and which formed the Rumasa holding and which were converted. customary blaze of publicity near to bankruptcy.

that has dogged his steps ever Before police arrived to with a wide range of activities since his financial empire was return him to jail. Mr Ruiz- have been reprivatised by the

supported by Mr Gerhard Stoltenberg, the federal Finance Count rate—but the central bank Minister. The central bank argues that a financial reform at that rate. If the Loender wind of 1970 gave Loender governments big (albeit temporary) inflows of tax revenue which they did not previously enjoy. This, it is claimed, gives them

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S Africa mions call for day of action against detentions

BY.ANTHOME EQUISON IN JOHANNESERG

BY.ANTHOME EQUIS

Open politics to blacks, urges business leader BY BERNARD SIMON IN JOHANNESBURG

A CANAGA CANAGA

cers

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life *

14.

THE South African Government ment to speed up and broaden THE South African Government should abandon its piecemeal its reform programme. approach to political reform Besides releasing jailed and create openings for blacks political prisoners and unbanto take part directly in the political process, Mr Gavin African National Congress, Mr Relly, the chairman of Anglo-American Corporation, says in his annual statement to share including the Group Areas Act and a document devoted and race classification and largely to political issues Mr Separate amenities laws, within

In a document devoted largely to political issues, Mr Relly said that "a failure of nerve" on Pretoria's part "will lead to a calamitous situation of political drift, with the economy sliding towards the state of siege as the initiative passes to the men of violence and the international pressures to change us or isolate us steadily increase."

Anglo-American, which is South Africa's new with passes in the men of violence and the international pressures to change us or isolate us steadily increase."

Anglo-American, which is South Africa He said: "Any action taken now, primarily as an emotional response to the gravity of the situation here, is bound to be at the expense in the forefront of business laws, within a fixed time.

On the social front, he said that housing is the greatest need at present for South Africa's non-white population.

South Africa He said: "Any action taken now, primarily as an emotional response to the gravity of the situation here, is bound to be at the expense of freedom and justice in South Africa, or if our nascent and fragile, democratic institutions are denied a strong economic underpinning: they will certainly give way to tyranny."

Alain Cass, Asia Editor, reports on Vietnam's prospects after the death of Le Duan

Hanoi's old men consider economic reform

THE DEATH of Le Duan yester—the pace and direction of approved the Soviet-backed day, the man who led Vietnam Chinese-style economic reforms invasion of Kampuchea in 1979 for the past 17 years and who implemented in an effort to break Vietnam free from the vietnamese troops in Lacs to the complete vietnamese troops in Lacs



Le Duan: unyielding

main aims are likely to be pursuing economic reform, negotiating an agreement over Kampuchea to end Vietnam's isolation and decreasing the country's growing dependance to not the Soviet Union which has acquired significant military facilities in return for between \$4m and \$6m a day in aid.

Vietnam remains one of the poorest countries in the world with an annual per capita income of less than \$200. The economic reforms, based on greater incentive and market- oriented pricing policies, have had some success. Agricultural main aims are likely to be

way for the reformers to con-solidate their hold on power. There are three possible scenarios over the next few weeks. The party could elect a caretaker leader until the

production is close to self-sufficiency and there is a greater availability of consumer goods. But the reforms have

also brought raging inflation and greater inequalities leading

to fierce ideological debates.
Growing popular criticism of the Government's handling of

the economy recently led to the sacking of eight senior ministers in a power struggle between the ideologues and the

reformers who are spearheaded by pragmatists from the south.

Le Duan's death opens the

Hawke wins party vote on wage restraint

By Emilia Tagaza in Canbern

MR BOB HAWKE, the Australian Prime Minister, yesterday won support for his call for further wage restraint, both from the top leaders of the traded union movement and from his party. Wage restraint was at the heart of Mr Hawke's support of the programme annual call. austerity programme announced last month, which he hopes would check Australia's serious current account deficit.

Australian Labor Party's biennial national conference, dele-gates overwhelmingly endorsed Mr Hawke's austerity plan despite strong arguments from the left-wing. Significantly, the motion for support came from Mr Simon Crean, president of

he Australian Council of Trade
Unions (ACTU).

Mr Hawke said he hoped the
vote would show people in Wall
Street that the Australian
economy was under his govern-

Mr Hawke also received a Mr Hawke also received a boost from employment figures released yesterday which showed that unemployment rates last month dropped to 7.6 per cent from 7.8 per cent in May. This compares with 8.3 per cent in June last year. Mr Ralph Willis, the Minister for Employment said this was the

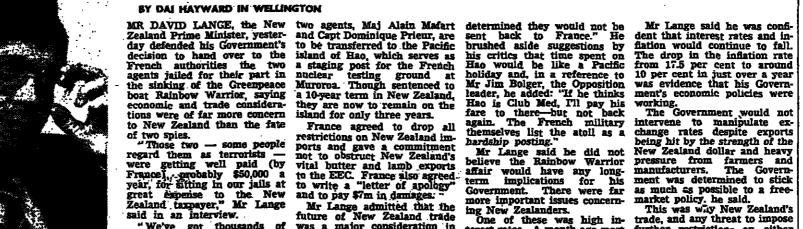
Employment, said this was the lowest unemployment rate in almost four years.

The endorsement for the austerity plan will pave the way austerity plan will pave the way for Government-union negotiations on wage discounting. Under the wage accord between the ACTU and the Hawke Government, pay is automatically adjusted for changes in inflation rates. But the last wage increase granted last month was discounted to account for the depreciation of the Australian dolair.

Israeli nurses' strike beaten

By Andrew Whitley in Jerus By Andrew Whitley in Jerusalem
A bitter, 17-day strike by
Israeli nurses ended yesterday
in a crushing victory for the
coalition National Unity Government, determined not to
grant a pay rise this year to
public sector workers, Andrew
Whitley reports.
The strike had closed hospi-

Lange says trade more vital than spies' fate



Mr Lange: " If we took a poll of dairy farmers on the spy agreement, I know what the result would be."

great expense to the New Zealand taxpayer," Mr Lange said in an interview.

"We've got thousands of dairy farmers out there going broke," he said. "They haven't been able to pay their mort-gages for the last two quarters. If we took a poll of dairy farmers on the spy agreement, I know what the result would be."

The second second of the second secon

1.1"

Mr Lange admitted that the future of New Zealand trade

ing New Zealanders.

One of these was high interest rates. A month ago most New Zealand financial institutions reduced interest rates, particularly on home mortgages, by 2 or 3 per cent.

"People will start to feel good other ministers had visited when the mortgage rates get European capitals to agree "We've got thousands of dairy farmers out there going broke," he said. "They haven't been able to pay their mortages for the last two quarters. the apology alone. That's unpresent on the spy agreement, I know what the result would be."

Under an agreement announced earlier this week, the said. but "we were frequently meaning the said.

They haven't deal but denied that New Zealand financial institutions reduced interest rates. A month ago most further restrictions on either butter or lamb exports, were of grant a pay rise this year to paramount importance. This paramount importance. This was also why, in just the past few months, he and several other ministers had visited other ministers had v



WHICH SPANS THE LENGTH AND BREADTH HE WORLD'S MOST DYNAMIC REGION.



The Pacific basin.

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which remains unrivalled today. While Union Bank, now a leading local business and of private individuals. business bank in California, represents a successful US acquisition by a British nearest branch. bank.

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And thus, a network ready to serve the needs of international business, of

To find out more, contact your

US print union may merge with telecom workers

finally accepted new technology agreements on New York news-

Mr James Wood, assistant to

the pre sident of the ITU, said yesterday the union had been

yesterday the union had been seeking a merger with a bigger union for several years. Pre-vious plans to merge with the Newspaper Guild, the Graphic Union and the Teamsters Union

a senior Citibank executive said.

A meeting previously sched-

common interest.

THE INTERNATIONAL Typo- yielded to the pressure for graphical Union (ITU), the changes and in return for life-oldest union in the US and once time job guarantees agred to graphical Union (11'U), the changes and in return for ineoldest union in the US and once of the most powerful, has the introduction of new techtentatively agreed to merge nology in the late 1960s nd early
with the Communications 1970s.
Workers of America (CWA),
which represents 650,000
workers in the telecommunicathrough came in 1974 when the
New York Typographical Union The most important break-through came in 1974 when the New York Typographical Union Number 6, known as "Big Six,"

The ITU has lost over half 1960s. Its decline reflects the increasing automation of the US newspaper industry and the sharply reduced importance of the craft unions. Twenty years ago, the union had 130,000 members. Today it has about 70,000 of which 42,000 are actively employed, most of them as printers or working in newspaper mailrooms. of its active members since the

actively employed, most of them as printers or working in newspaper mailrooms.

The union is the oldest national organiser of American posing and mailrooms and the labour and, like Britain's Fleet growing ownership of cable TV Street printing unions, was a by big newspaper chains, the tremendous power in the US street printing unions, was a tremendous power in the US newspaper industry in the union's heyday. In his book, Goodbye Gutenberg, Mr Anthony Smith notes that no other union managed so quickly and so determinedly to wrest from management so much of its authority over those em-

The ITU has felt the brunt of the introduction of new technology in the US newspaper rent merger will proceed industry and after resisting change for many years, it finally

split' US

advantaged heartland, according to a new Congressional study, AP reports from Washington.

If the trend continued, there could be a more than 40 per cent difference by the mid-

Of the \$234bn (£153bn) Of the \$234bn (£153bn) growth in real personal income nationally during the 1981-85 period, 70 per cent went to the 16 coastal states, which have 42 per cent of the nation's population. Less than \$73bn went to the other 34 states, which account for 58 per cent of all Americans.

Differentials in growth 'threaten to

ECONOMIC GROWTH pat-terns in the past five years threaten to split the US into a nation of relatively well-off coastal dwellers and a dis-

Growth over the nation as a whole has been sluggish in a whole has been singgish in recent years, but those living in California and in 15 East Coast states would hardly have noticed, according to the analysis by the Joint Economic Committee, which was released yesterday.

are empty.

President

Coastal regions have enjoyed average annual growth in personal income since 1981 of 4 per cent, compared with of 4 per cent, compared with a 1.4 per cent rate for the other 34 states. "Most of this country is suffering a prolonged period of economic stagnation," said Representative David Obey, Democrat chairman of the committee.

Mr Obey said the picture developed by the Democratic staff study is at sharp odds with the picture of a steady US economic recovery painted by the Administration of President Ronald Reagan.

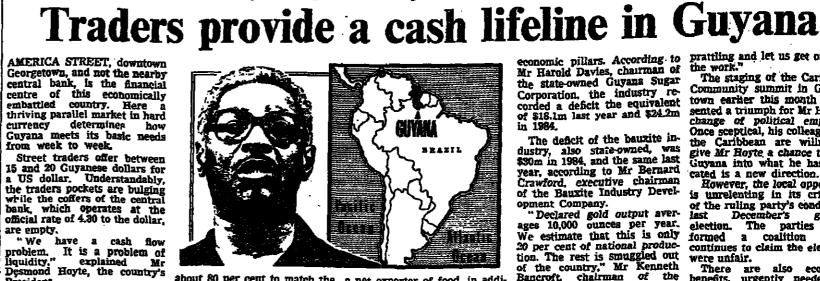
The study said that while there was relatively little disparity between family income levels in the coastal and

come levels in the coastal and heartland regions in 1981, the income growth differences had led to a 10 per cent gap by

per cent of all Americans.
On a per-person basis, real growth in the heartland states was one third the rate of the coastai states.

coastal states.

Much of the problem stems from recession in agriculture, petroleum, mining, timber and heavy manufacturing, all of which are heavily concentrated in the country's midsection. Growth has come largely in service areas like the financial, information and convenience food industries, which are heavily represented in coastal states. in coastal states.



ret there is little to suggest that the Government of Mr Hoyte, who took over from Mr late Mr Forbes Burnham almost a year ago, is keen on tampering The Government is struggling to meet its priorities such as importing oil and servicing the foreign debt with the limited hard currency which finds its with centres like America foreign debt with the limited Street, which provide a lifeline hard currency which finds its for the 90,000 people of a country slightly larger than England sugar, bauxite, rice and gold and Wales.

Earlier this year Curana and Wales.

"The hard currency is used by hordes of traders who travel to neighbouring Surinam, Trinidad and Barbados to purchase consumer goods which the Government has not got the hard currency to import," said one leading businesman, a supporter of Mr. Hoyte's People's National Congress.

"Transactions on the parallel market are larger than those done by the Government. If operators such as those on

Earlier this year Guyana endured fuel shortages and electricity blackouts as Trinidad and Tobago terminated oil supand 100ago terminated oil sunplies because of unpaid debts
of about \$220m. An oil for
bauxite counter trade with
Venezuela has brought some
relief. About 42 per cent of
the country's earnings are used
to service its \$1.3bn (2850m)
torrige debt.

about 80 per cent to match the a net exporter of food, in addi-parallel rate. That would be tion to rice. The country can be a major timber exporter, and has identified reserves of radio-active minerals, including uranium.

The Government has spoken

Canute James on why foreign currency dealers have replaced the Central Bank

of the need for greater foreign and local private sector involvement in the economy which is 80 per cent state controlled. "Our private sector is very emaciated," says Dr Clive Thomas, director of the Insti-tute of Development Studies of the University of Guyana and a member of the parliamentary group of the opposition working People's Alliance.

"It is one in which most of the people with some element "Transactions on the parallel market are larger than those done by the Government. If operators such as those on America Street were discouraged, the Government would not be able to finance the import of consumer goods which are needed. The Government would need to devalue by

economic pillars. According to Mr Harold Davies, chairman of the state-owned Guyana Sugar Corporation, the industry recorded a deficit the equivalent of \$18.1m last year and \$24.2m in 1984.

The deficit of the bauxite industry, also state-owned, was \$30m in 1984, and the same last year, according to Mr Bernard Crawford, executive chairman of the Bauxite Industry Development Company.

"Declared gold output averages 10,000 ounces per year. We estimate that this is only 20 per cent of national produc-tion. The rest is smuggled out of the country." Mr Kenneth Bancroft, chairman of the Bancroft, chairman of the Guana Gold board, said. This is one area in which foreign business has shown interest.

"Every year we get promises, and they roil over the national budget," said Dr Thomas. "We need fixed, quantifiable targets. We need real development. We need more than the promise of economic dynamism. We need economic activity."

Although the economy might not reflect it, there have been signs of change, albeit small, since Mr Hoyte took office. Mr since Mr Hoyte took once. Mr Hoyte has not emulated his pre-decessor's inclination towards political harangue and bombast, has been less ideological and has not indulged in the vituperative anti-Americanism which strained relations between Mr

The staging of the Caribbean Community summit in George-town earlier this month represented a triumph for Mr Hoyte's change of political emphasis.
Once sceptical, his colleagues in the Caribbean are willing to give Mr Hoyte a chance to take Guyana into what he has indi-

cated is a new direction.

However, the local opposition is unrelenting in its criticism of the ruling party's conduct of last December's general election. The parties have formed a coalition which continues to claim the elections were unfair.

were unfair.

There are also economic benefits, urgently needed by Guyana, which could come from Mr Hoyte's more moderate attitude. Caribbean Community leaders have agreed to a programme of regional joint ventures in new industries which could see new industries which in Guyana Relations with ments in Guyana, Relations with the US have been mended to the extent that the country will soon receive concessionary food

aid from Washington.
But good intentions are
unlikely to lift the country out
of its economic doldrums. "One problem we face is in our debt repayments." Mr Hoyte said. "We cannot reschedule unilaterally, and we have been talking to several of our creditors about refinancing." Creditors, however, are unlikely to be moved until there is some accommodation between Guyana and the International Monetary Fund which has made the country ineligible for new assistance because of its failure to maintain its repayment

Uruguay signs \$1.7bn debt rescheduling deal

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

URUGUAY yesterday signed a tended by the banks and the \$1.7bn (£1.1bn) multi-year debt rescheduling agreement which will allow repayment of debt falling due up to the end of 1989 to be deferred.

The sgreement, signed in New York by Mr Ricardo Zerbino, Finance Minister, and Mr a senior Citibank executive said.

The agreement, signed in New York by Mr Ricardo Zerbino, Finance Minister, and Mr Ricardo Pascale, Central Bank Governor, follows nearly a year of negotiation with the Citibank-led committee of leading creditors represented 100 uled for today between Mexico and its leading creditor banks has been postponed till next week to fit in with the travel tors representing around 100 lending banks.

Work on an accompanying officials expected to attend, \$45m co-financing loan to be ex-

Belco claims \$200m for loss of Peru assets

BELCO PETROLEUM of New mentioned a figure of \$140m as York, a wholly-owned subsidiary their estimate of the value. York, a wholly-owned subsidiary of Enron of Houston, Texas (formerly HNG-InterNorth) has filed claim for \$200m (£131m) on a political risk policy with American International underwriters of New York in com-pensation for expropriation of its Peruvian oilfield assets at the end of last year.

Belco says the book value of its installations is \$400m, but assets were insured for half the amount because of the high cost of political risk premiums. Peruvian Government officials earlier

Enron is also negotiating a rapid lump sum settlement in order to cut out the current pro-cess under which a joint Euron-Petroperu commission is mak-ing a physical inventory of Belco assets prior to valuation. Installations are operated by

Petromar, a Petroperu subsidiary set up to handle offshore oil operations after the Belco expropriation. Enron's aim is to cover most of its loss from a

US to withhold Zimbabwe aid

THE US will withhold \$13.5m which he sharply criticised US (£8.8m) in aid to Zimbabwe policy towards South Africa, pending completion of a review of the country's aid produced a walk-out by view of the country's aid produced a walk-out by foreign aid donor, had planned to give the country \$20.5m this gramme ordered earlier this diplomats from the US-hoted to give the country \$20.5m this practice.

gramme ordered earlier this diplomats from the US-hoted week, the State Department reception.

The protest was led by visitOne official added that the ing former President Jimmy funds would not be released until Zimbabwe formally apologised for anti-American remarks by a cabinet minister at a July 4 independence day reception in Harare last week, and generally returned to "civility" towards the US.

The protest was led by visitThe US has given Zimbabwe formally since independence in 1980, although relations between the two countries have frequently been strained by political disagreements and diplomatic tension.

Conservatives inside and outside the Reagan Administration have frequently argued that the US should not aid governments that oppose American policies.

amounts of technology in the early

1980s found that six of the enter-prises are economic failures.

disordered policy on

technology imports'

CHINA has imported more than 100 er studies are found in most indus-colour television assembly lines – tries. One foreign construction com-

capable of producing many more pany was given a Chinese study sets than the Chinese could possibly watch, according to a wide-rangsite, and so began sinking founds-

ing study of the country's technology import strategy. The report recommends major changes to present

An investigation of 30 projects us-

"disordered" policies.

The unusually frank review by an official of the Ministry of Foreign Economi: Relations and Trade, Cao Jiarui, cites imported television, which is imported television, accorries that imported large

The private bank which looks after you



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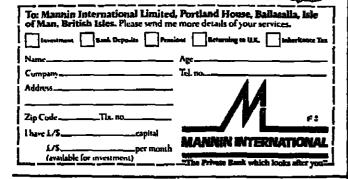
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your savings are protected and properly invested. Audited accounts are available on request.



EUROPEAN TRADED OPTIONS

Tuesday Wednesday Thursday Friday

Only in the Financial Times

Anglo-French tie proposed Lockheed for anti-missile system

FRANCE HAS suggested collaboration by Britain in a proposed anti-missile defence system at present being studied by Aerospatiale and Thomson, two state-owned French defence groups. The system would be deployed in the mid-1990s.

would be deployed in the mid-1990s.
Discussions held recently between British and French government officials have been running parallel to efforts made by the Paris Defence Ministry to interest the West German government in the system.

France believes its present studies on an anti-pircraft and France believes its present studies on an anti-aircraft and anti-tactical missile project, dubbed Aster, could pave the way for a system to protect military installations in Western Europe from attack by increasingly accurate Soviet ballistic missiles.

Mr Andre Giraud, the French Defence Minister, has thrown his weight behind efforts to develop more sophisticated anti-aircraft and anti-missile

Hearings finish

on Hong Kong

HEARINGS on an application by Hong Kong Dragon Airlines to operate scheduled passenger flights from Hong Kong to Amsterdam and Manchester ended in the colony yesterday

air routes



Mr Andre Giraud: supporting

anti-tank helicopter project.

still only at an exploratory France has also made clear to Britain in recent contacts its willingness to become associated

with any UK bid to buy AWACs early warning aircraft from Boeing of the US.

Britain has been exploring several transatlantic solutions for airborne radar systems in the light of severe hold ups in developing its own equipment planned to be carried on a Nimrod aircraft. France has been considering

buying two or three Boeing AWACs aircraft for some years but up to now has baulked at the cost. Association with any British purchase is viewed favourably in France as it would lower the unit costs for each aircraft aircraft.

sircraft.

Separately, figures from the French Defence Ministry show that French companies are becoming less dependent on developing countries for foreign arms orders.

Total expert orders last year.

Defence Minister, has thrown his weight behind efforts to develop more sophisticated anti-aircraft and anti-missile missiles to piug a perceived gap in French defences.

He has been lytting forward the possibility of German participation as an option in discussions with the Bonn government on armaments co-operation. These touch above all on the present problems surrounding the French-German manufactured in the Aster system both as a possible defence for ships, as a follow on from British Aerospace's Seawilf programme, and also as means to protect land installations, such as airfields.

However collaborative talks on the Aster system—which has government on armaments co-operation. These touch above all on the present problems surrounding the French-German anti-tank helicopter project.

Britain is interested in the Aster system both as a possible defence for ships, as a follow on arms orders.

Total export orders last year fell to FFr 44.5bn (\$4.17bn) from the record FFr 61.8bn in 1984. Europe and North America last year represented 42 per cent of orders, overtaking North Africa and the Middle East, whose share was only 39 development project by the surface for ships, as a follow on arms orders.

However collaborative talks on the Aster system—which has government on the Aster system both as a possible defence for ships, as a follow on arms orders.

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Growth halts in chemical West German industry

BY DAVID BROWN IN FRANKFURT

Germany's chemical industry in Weshalted in the first balf of 1986 areas. after the previous year's high levels, but the sector is confident about the remainder of thirds of exports, was more

AP-DJ reports.
Hong Kong's Air Transport licensing Authority must decide whether to grant Dragonair permission to fly the route, which is served by British Airways, British Caledonian Airlines and the year as well as the "medium term futuse," said Mr Hans Albers, President of the Chemi-cal Industry Association. Production for the six months to the end of June fell by one percentage point as a result of Cathay Pacific Airways. British Caledonian and Cathay Pacific objected to Dragonair's applicaboth the decline in the dollar rate and the lower price of crude oil, he said.

tion, arguing that a fourth car-rier was not needed. Turnover in absolute terms Pacific permission to extend its Hong Kong—Frankfurt route to Amsterdam and its Hong Kong-London route to Manchester.

THE GROWTH of West resulted in a 15 per cent drop Germany's chemical industry in West German sales to these

Growing domestic demand spurred by higher purchasing

power would only partly com-pensate for the drop in foreign sales, Mr Albers said. It is expected that both the dollar rate and oil markets will

West German chemicals pro-The Government's licensing authority already has signalled that it would grant Cathay Pacific permission to extend its Heavy competition from assets this year. So the dollar-denominated producers year, employment is up slightly on non-European export markets to 560,000. assets this year. So far this

China 'must change forges UK link in bid to win order

WORLD TRADE NEWS

Aerospace Correspondent
Lockheed Corporation of the
US has appointed Marshall of
Cambridge, the UK aerospace
engineering company, to be
its prime associate in its bid
to get the P-3 Orion Airborne
Factor Warning aircraft Early Warning aircraft accepted by the Ministry of Defence in place of the

Delays and soaring costs in the development of the elec-tronics package for the Nimrod have led the ministry to invite bids for alternative types of Airborne Early Warning aircraft from UK and US companies.

Bids have also been received from Boeing and Grumman of the US, Airship Industries and other UK

Under the agreement signed yesterday Marshall will undertake the systems installation and integration for the P-3 Orion for the UK, if it wins the competition.

It wins the competition.

This work will include installation of electronics and the establishment of an advanced electronics systems integration centre in the UK.

Lockheed has preliminary agreements with another 21.

UK industrial companies which could share in the overall P-3 Orion work, providing parts for the Airborne Early Warning package. As a result, the total value of work in the UK could exceed the value of any UK contract by as much as one-fifth.

value of any UK contract by as much as one-fifth.

Up to 2,000 UK workers could benefit from this activity, at Marshall and elsewhere, and the work could last into the next century.

The precise value of the Lockheed bid and number of aircraft involved are not disclosed. Sealed bids from Lockheed and other companies are now under study by the Defence Ministry, and a decision is expected this autumn.

autumn.

6 Japan Air Lines (JAL) may call its Boeing 747 SR aircraft out of service early. One of these aircraft crashed last August killing 520 people, Reuter reports from Tokyo.

The common said it may The company said it may retire the aircraft, which fly only domestic routes, after about 15 years use instead of the the transfer of the trans

assembly lines as examples of gross wastage on low-tech in a country that can hardly afford to make such that can hardly afford to make such mistakes.

Cao also draws attention to unintentionally duplicated imports of glassmaking and optical fire cable technology, and the attempts by almost every large city to produce computer memory tapes. Both problems are blamed on different sections of the same department negotiating with different foreign suppliers for the same equipment at the same time.

Last year China tried to improve control over technology imports by taking back power granted to local authorities and requiring the minimum troduced strictly limiting the control over technology imports by taking back power granted to local authorities and requiring the minimum troduced strictly limiting the control over technology imports by taking back power granted to local authorities and requiring the minimum troduced strictly limiting the control over technology imports by taking back power granted to local authorities and requiring the minimum troduced strictly limiting the control over technology imports by taking back power granted to local authorities and requiring the minimum troduced strictly limiting the control over technology.

The Government has been particularly disappointed by the reluctions of the same department negotians of the same department at the suppliers could impose on purchased technology.

The Government has been particularly disappointed by the reluctions of the same department at the suppliers could impose on purchased technology. Last year China tried to improve

ers for the same equipment at the same time,

The lack of co-ordination illustrates the problems many Chinese trates the problems many Chinese trates the problems many Chinese trade meeting with the two councificials have found in coming to terms with the powers they have inherited under the economic reform

The same equipment at the matter is raised at every bilateral trade meeting with the two councilless, even though Cocom procedures have been liberalised to increase technology exports to China.

Can's report reflected the Greener. programme and illustrates the mismanagement that has seriously hin-dered the implementation of the re-market: "The problem is that pres-

washing machine and refrigerator

orm. ent technology imports are not so The review, published in Outlook much a reflection of the market and magazine, which has become the demand, as the reflection of the inflagship of reformers, points out that feasibility studies in China are leaders who have the power to apgenerally nothing more than a jus-tification of a department's inten-"Because the pr tion to purchase certain equipment.

As Cao put it, they are "conducted selectively" and "rarely lead to a conclusion of unfeasibility."

Problems with feasibility and oth-

"Because the principle of enter-

Cao's report reflected the Govern-

India studies export incentives

INDIA is considering incentives for manufacturers in an effort to boost the country's flagging exports, writes K. K. Sharma in New Delhi.

A sphings committee boarded by look outside the country.

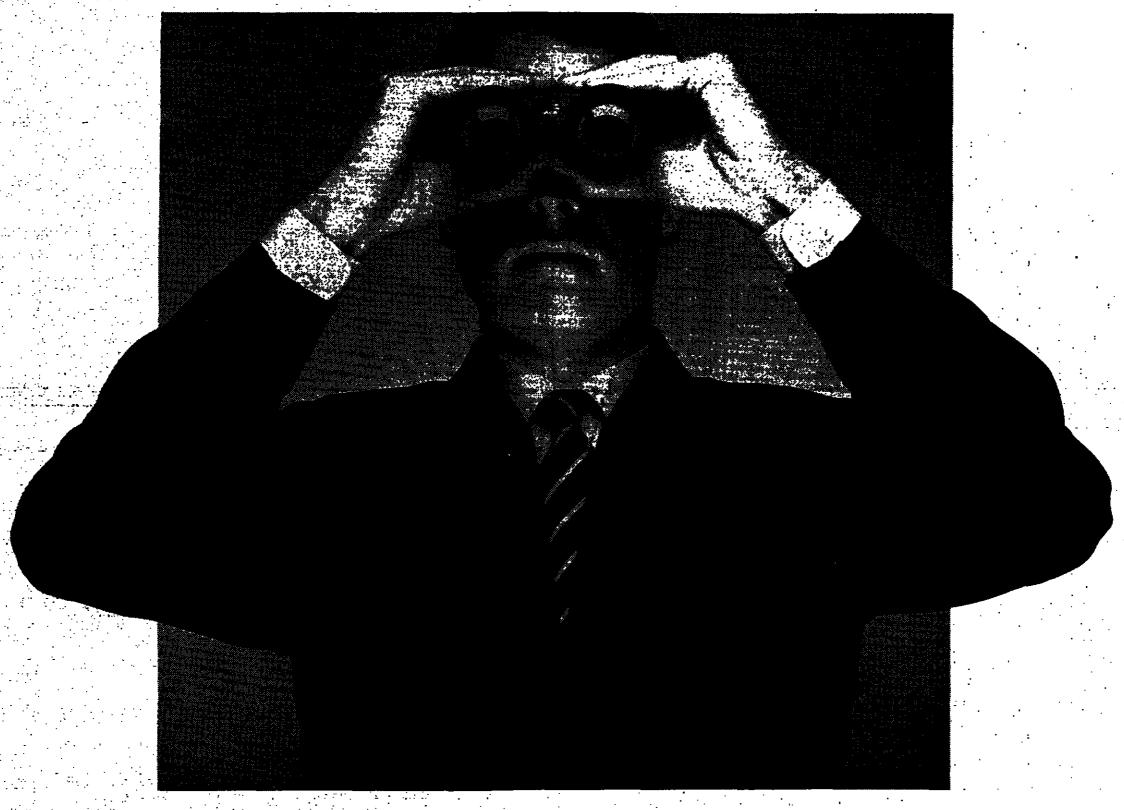
A cabinet committee headed by the has discussed plans to allow the Rajiv Gandhi, the Prime Ministrum to make products so far re-Mr Rajiv Gandni, the Frime Munster, met this week, and it is understood to have agreed that exports should be made "profitable" so that manufacturers, who have been used to selling to a highly protected internal market, are encouraged to look outside the country. look outside the country.

The Government is expected to items more cheaply:

Advanced Banking Technology

icy (

port.



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Eurotunnel group delays £200m equity placing

BY ANDREW TAYLOR

EUROTUNNEL, the Anglo-French consortium chosen to build the Channel tunnel between England and France, has postponed until the fine details have taken longer than autumn a £200m share placing which it had planned for later this

The consortium said that delays in finalising loan agreements with more than 35 international banks were the main cause of the post-

over bunching of new issues on the London Stock Exchange during the summer - recent and current issues have included Morgan Grenfell, Thames Television, TV-am and GT Management - which could have made a Channel tunnel placing

ments for more than £5bn of bank Japan, the US and the rest of Euloans and standby credit by early July. It says that negotiations on

expected.
Banks said last night that they had been unable to meet a deadline of July 11 to reaffirm their financial commitment to the project. It is understood this deadline has now been extended to July 18.

The postponement comes as the It said there was less concern consortium is facing strong opposition to its plans at the parliamentary committee which is examining the Channel Tunnel Bill. Bankers denied that the delays meant that the project was in je-

The share placing, which was due more difficult.

Eurotunnel had hoped to conclude loan memorandum agree
to take place on July 24, had been and French banks and construction expected to raise £70m in the UK, and engineering groups, have all £70m in France and £20m each in ready invested £28m in equity

NHS in making its procurement de-

gramme.

• A national policy for pioneering the new market opening for general

practioner services involving new

Better statistical and market da

ta on the industry.

Despite Britain's distinguished

record in the invention of new med-ical techniques, including several

had only about 5 per cent of a £20bm

world market for medical equip-ment, the study found. Even where

Britain has pioneered the science,

Sir Rex said Acard was first alert-

foreign firms dominate the market.

ed to the deteriorating situation in

1984. Despite a sharp improvement

last year, the underlying situation

"gives us considerable concern," the

Sir Rex said the industry was not

asking for special favours but it be-

lieved the NHS was ill-equipped at present to come to the best deci-

report says.

British Steel to invest

£50m in Welsh tinplate

BRITISH STEEL Corporation yes- tional batch annealed timplate. De-

terday unveiled plans to invest mand for it has been growing be-£50m in a second continuous an-

nealing line of 350,000 tonnes a year customers to use thinner gauge macapacity at its Trostre timplate terial – on high-speed, can-making

the motor industry.

The new installation will bring to four the number of continuous and the number of continuous and the four the number of continuous and the four the number of continuous and the four the number of the number of

nealing lines in BSC Timplate which that BSC retains "excess capacity"

plate a year.

The order book of some 10,000
tonnes a week is shared between
Trostre and Velindre works, near

produces around 1m tonnes of tin- is likely to restrict its ability to in-

Television plans

Yorkshire

flotation

the "big live" independent television (ITV) companies, intends to follow Thames Television and TV-am to the London stock market and float about 25 per cent of

An announcement is expected early next mouth and the flotation is expected towards the end of August.
The Yorkshire flotation is like-

ly to mark the end of United Newspapers' involvement in tele-vision. United, publishers of the Daily Express and the Yorkshire Post, plans to sell its 9.9 per cent stake in Yorkshire, subject to

United is in the process of disposing of its 34 per cent stake in TV-am and earlier this year United sold 9.9 per cent of the voting shares of Tyne Tees Television. Mr David Stevens, chairman of United, said the group was pul-ing out of commercial television because of government policy that newspaper publishers could not own television stations.

"In general, we do not believe in having minority stakes where ment control," Mr Stevens

The three other main shareolders of Yorkshire - Bass, Pearson, publishers of the Fi-nancial Times, and W. H. Smith will all reduce their stake to 21 per cent. At present, Bass has 24.63 per cent, Pearson 24.63 per cent and W. H. Smith 29.5 per

Yorkshire, one of the "big five" companies which produce most of the programmes shown on the ITV network, has a staff of 1,350. It is being advised by Baring Brothers, the merchant bank. It is expected that the Botation will value the company at between £40m and £50m.

The company is the last of the 15 FTV companies to have its shares quoted. Plans for a flotation about 18 months ago had to be dropped because of a dip in advertising revenues.

ITV advertising revenue has been rising strongly in recent

Isro argues the case for price 'stabilisation' of new issues

for Corporate and Consumer Affairs, faces an awkward decision on the latest challenge from international securities firms to the Finan-facing the Government in cial Services Bill.

They are asking to be allowed to 'stabilise" prices of new equity issues - that is, to hold up prices with supporting bids for the first month or two after an issue is launched. This technique, used every day in the Eurobond market and in the US share market is seen by practitioners as simply a method of ensuring that securities are placed in the

hands of firm holders in an orderly fashion, and as being in the interests of investors. But to some outsiders, it is blatant manipulation, keeping prices artificially high at the expense of the investors who may buy the securities.

The Government, anxious not to drive offshore the huse international bond markets centred in London, has already made provision in the bill to permit price stabilisation in international bonds so that it can continue in the Eurobond market. In doing so, it assumed that most operators in the Eurobond market ssionals and could thus be expected to look after their inter-

But the waters become muddier where shares are concerned. Although big institutions own the vast majority of equities, the stock mar-ket still caters to a large number of small investors and indeed has been trying to woo more. When a new issue is made, the small inves-

tors may not be aware that the is-

sue managers are intervening to

Alexander Nicoli reports on an awkward decision the run-up to the London

Stock Exchange's Big

in the marketplace and therefore no existing securities of which the price could be affected by stabilisation. By contrast, most share issues are made into a market where a price is already established, and could be influence

In framing the bill, which will set a regulatory structure for UK investment businesses after October's Big Bang reforms of trading praces, the Government's prime concern has been to ensure adequate stor protection. So far. Mr Howard has not been convinced that investors would be properly safeguarded if stabilisation of equity ises were permitted.

The question does not apply to traditional UK-style share issues, in which stabilisation does not take place. But it has become important because of the rapid growth of the "Euro-equity" market, in which new shares are distributed internationally using Eurobond syndication methods, including price stabilisa-

In the first half of this year, some In the first half of this year, some \$3.2hn of such issues were syndicat-ed from London. Henson Trust, Vestlė, Morgan Stanley, KLM and Volvo are among some of the topname shares to have been syndicated in this way. The International Securities Re-

Furthermore, bond issues are dif-ferent from equities in that each is-sue is usually new and unique: there are no identical bonds already

The International Securities Re-gulatory Organisation (Isro), due to be the self-policing body for inter-national markets in London but so

ro-equity business would be stopped in London by the bill as it

stands.

More broadly, it believes Britain would become isolated in an increasingly cross-border equity market, and in particular from the US. Price stabilisation is common practice on Wall Street, so any US share issue in which it might occur could

not be sold in London. Conversely, US investment banks might not agree to take part in selfing British share issues - including the Government's own privatisation issues - to US investors because they would not be able to stabilise

The London Stock Exchange is in broad agreement with Isro on stabilisation. If US-style distribution methods such as the "bought deal" were to become more common in rope, one official says, "we would hate to have had the door slammed

shut on us in primary legislation."

Mr Ian Steers of Wood Gunly,
chairman of Isro, has argued in a
letter to Mr Howard that stabilisation should be allowed, subject to what it says are more strict caveats than are applied on Wall Street.

 Stabilisation should be done or an investment exchange recognised by the Securities and Investments Board - and thus subject to price and trade reporting requirements.

Stabilising hids should not be made above the issue price. It should be clearly disclosed to investors that stabilisation could be

taking place. Isro has already scored some no able successes in its campaigns, in particular securing immunity from misations such as itself and the

Control of Lear Fan investment criticised

THE LOSS of £56m of public money in the abortive Lear Fan aircraft project in Ulster in the early 1980's was due to inadequate monitoring of that investment by the Northern Ireland Department of Commerce and later by its successor, the Department of Economic Develop-

The House of Commons committee of public accounts, in a stronglyworded criticism of the Northern ireland Office's handling of the Lear Fan affair, comments in its latest report that "it is too early to know if any of the £56m can be re-

It adds that the Lear Fan collapse, coming so soon after the collapse of the De Lorean car project, reinforces the view that the risks of committing substantial public funds to undeveloped and thus unproved projects "are unacceptably high."

The Lear Fan was a US-inspired venture to develop a small turbo-prop aircraft for executive use making extensive use of carbon fibre reinforced plastic. Persistent development difficulties resulted in increasing costs, and the eventual col-lapse of the venture, with the Department of Economic Development appointing a receiver in May

In its report, the Commons committee says that the original enthasissm of the Department of Com-merce for the venture as a means of generating employment in Uster "blunted its perception of the considerable risks inherent in the extensive use of a new technology. despite caution expressed by the UK Defence Ministry and other

The Department of Commerce failed to carry out an adequate financial appraisal of the project, and failed in its duty to accord public funds "at least the same level of protection as that provided for the private investors funds when further subventions were sought to sustain the aircraft's development

Call to back medical equipment industry

BY DAVID FISHLOCK, SCIENCE EDITOR

BRITAINS £1bn medical equip-ment industry will be in trouble unless the industry and its main customer take a more international approch and increase their research investment, the Governtechnical advisers have

The industry, although a healthy high-technology activity in domestic terms, represents a small and di-minishing part of a growing world market for medical equipment, says the Advisory Council for Applied Research and Develoment (Acard), in its latest report.

"Unless something is done, we take a rather pessimistic view," Sir Rex Richards, director of the Leverhulme Trust and Oxford Instru-

ments, said yesterday.
Sir Rex, who chaired the working party which investigated medical equipment earlier this year, said the picture paralleled that found by Acard in its report on the British he believed that if Government and industry adopted his report's recommendations, the industry had "a

 Greater support from the National Health Service, including a big- sion. ger budget for medical equipment. • Greater technical support for the £5.20.

BY ROBIN REEVES

Posgate's appeal dismissed

The consortium will now seek to

agree a new date for the placing, likely to be around the beginning of

October. It is unlikely that the issue

price, expected to be around FFr

120 a share (£11.23), will change

The matter is complicated by the

fact that in France, the placing of

the shares had been almost com-

pleted when the decision to post-

The slippage in the financial timetable does not mean that Euro-

tunnel will look outside for interim

funds to carry it over until the plac-

ing is rearranged. The consortium's founding shareholders, of British

pone the issue was taken.

cisions, which could predispose it ter, has lost his fight to rejoin the more readily towards British equipment.

Lloyd's insurance market, Nick Bunker writes.

 More government support for re-search and development, and a bet-ter co-ordinated national pro-ling published yesterday, Lord Wilbertorce, president of the Lloyd's appeal tribunal, dismissed his appeal to return to work in the

Lord Wilberforce said that, in refusing his re-entry last year, the Lloyd's authorities had been entitied to pay regard to evidence that Mr Posgate showed "a high degree of negligence and disregard" of the interests of members of syndicates new ways of "imaging" the body, it which be managed.

> ended by the Lloyd's authorities after being found guilty of accepting gifts intended to influence his underwriting judgement.
>
> After his suspension ended, Mr. Posgate attempted last October to re-enter the market as a director of

R. L. Glover, the underwriting of one of its syndicates, □ THE NEWLY-FORMED Mersey

Barrage Company announced the start of a detailed feasibility study of a £450m scheme to generate electricity from the tidal power of the

A LIQUIDATOR has been appointed for ETL Motor Brokers of nies which specialised in unofficial car imports. The companies were compulsorily wound up in May with losses of about £2m, after petitions had been brought by the Depart-ment of Trade and Industry.

OVER HALF the 300,000 organisations, companies and individuals in the UK that use computers for storing personal information are breaking the law, by having failed to register under the 1984 Data Protection Act. Registrations totalled 138,000 by mid-June according to Mr Eric Howe, Data Protection Registrar, in his second annual report

capacity at its Trostre tinplate terial — on high-speed, can-making works at Lianelli in West Wales.

The new line will be the first dual-purpose continuous annealing installation by BSC. It will have a width and gauge to meet the increasing demand of continuous annealed material and also process up nealed material and also process up to 50,000 tonnes a year of cold reduced, higher strength steels for duced, higher strength steels for are programmed for July 1988 and full production of 7,600 tonnes a full production of 7,600 tonnes a full production of 7,600 tonnes a ☐ SYSTIME Computers, the Leedsbased subsidiary of Control Data Corporation, has announced a loss before tax of £15.3m for the 14 months to November, 1985. It recently agreed to pay a \$600,000 set tlement after a copyright dispute between Systime and Digital Equip-ment Corporation (DEC), the US

> THE OFFICE of Telecommunications (Oftel), the regulatory body. has discounted suggestions that i will review the formula for regulat-ing British Telecom's inland tele-phone charges.
>
> Prof Bryan Carsberg, director general of Oftel, said he recognised

the advantages of a stable regulatory regime and would not be seeking a licence modification to achieve fine tuning of the arrangements.

Australian share quotes firmed

THE LONDON Stock Exchange is then committed to dealing at those to take another small step towards levels. a fully automated market on Monday when quotations of Australian shares on its screen system, Seaq stocks now quoted on Seaq by six International, become firm prices market makers, because business instead of indications as at present, Alexander Nicoll writes.

duced firm prices for South African shares quoted on the system. Com-exchange clearing system, having peting market makers inserting bid offices in Australia, so that dealings and offered prices on the screen are done in London may be subject to

The move is likely to be more significant for the 15 Australian between the London and Australian markets is facilitated by an electropic clearing link, so far unique It involves Talisman, the stock

actual delivery of stocks in Austral-The introduction of firm prices

gives greater purpose and credibility to the Seaq system, because dealers looking at screens cannot tell at present whether prices are those at which market makers are actually prepared to deal. Telephone calls st then be made to check prices. At the Big Bung in October, Seaq will be applied to the full domestic market, with market makers insert-

Committee of Public Accounts: Financial Assistance to the Lear Fan Aircraft Project; House of Com-mons Paper 223; Stationery Office,

Lucy Kellaway examines calls by North Sea companies for tax cuts

explorers seek to ease cash squeeze

OIL COMPANIES, battered by the slide in oil prices, are mounting a for the first time since oil started to campaign to persuade the Government to lower oil taxes and give them some relief from their straightened circumstances.

Meanwhile activity in the North Sea has been severely cut with

them some relief from their straightened circumstances.

In the last two weeks, companies as large as BP and as small as Sovereign Oil and Gas have been putting forward their cases. Brindex, the association of independent oil explorers, and the UK Offshore Operators' Association (UKOA) are rector of BP, said last weeks. No beds on delikt that the tark expression of the said last weeks the desired of BP, said last weeks the desired of BP. both drawing up recommendations body can doubt that the tax struc-shortly to be delivered to the Gov-ture and levels which we face today

So far the Government's re- price of oil was close to \$30." The sponse has been cool. Mr Alick Bu-chanan-Smith, Energy Minister, to \$10. told a conference of energy economists last week that changes in the been overhauled at least three present tax system would not lead times in the last 10 years, has been to any increase in offshore activity, built up piecemeal and is now based and that therefore the case for reform was scant. Nevertheless be companies are making windfall sympathised with the plight of the profits. oil companies, and has promised to study any recommendations

No one expects changes in tax to remove all the hardships created by the fall in the oil price from \$30 at ernment's take of 12.5 per cent of

are geared to a world in which the

When companies started drilling for gas in the North Sea in the

rate of 45 per cent. Five years later, after the second Petroleum Revenue Tax, which, as the name implies, was a means of collecting tax before projects came

The next major changes were introduced in 1983, in response to a sudden hill in new drilling. Royalties were abandoned for all new fields, and the minimum production level below which a field was exempted from PRT was doubled to

that exploration costs incurred in suggested several meast one field could be offset against the solve the cash crisis, includi PRT liability of another, which in Lowering the PRT rate effect meant that the Government • Reducing, or abandoning, royalwould bear about 80 per cent of ex- ties. ploration costs. The measures were • Immediate repayment of APRT,

No-one expects changes in tax to remove all the hardships created by the oil majors, which pay special taxes, apart from the Government's take of 12.5 per cent of the end of last year to \$10. However, the industry hopes that tax reverse, the industry hopes that tax return would at least ease the current crisis.

Last year oil companies generation to introduce an additional tax North Sea. This year, however, the industry hopes that tax recoil was brought onshore, oil prices had quadrupled and it was decided to introduce an additional tax North Sea. This year, however, the coll majors, which pay most of the tax. The three largest changes seem unlikely. The system as it operates is fairly efficient, securing a generous take from the oil majors, which pay most of the tax. The three largest changes seem unlikely. The system as it operates is fairly efficient, securing a generous take from the oil majors, which pay most of the tax. The three largest changes seem unlikely. The system as it operates is fairly efficient, securing a generous take from the oil majors, which pay most of the tax. The three largest changes seem unlikely. The system as it operates is fairly efficient, securing a generous take from the oil majors, which pay most of the tax. The three largest changes seem unlikely. The system as it operates is fairly efficient, securing a generous take from the oil majors, which pay most of the tax. The three largest changes seem unlikely. The system as it operates is fairly efficient, securing a generous take from the oil majors, which pay most of the tax. The three largest changes seem unlikely. The system as it operates is fairly efficient, securing a generous take from the oil majors, which pay most of the tax. The three largest changes are unlikely. The system as it operates is fairly efficient, securing a generous take from the oil majors, which pay most of the tax. The three largest changes are unlikely. The system as it operates is fairly efficient, securing a generous take from the oil majors, which pa

oil shock, PRT was increased to 75 few schemes are profitable enyway, expenditure to offset fully against per cent, and a new duty introduced. This later became Advance

Oil companies claim, however, Furthermore, a reduction in PRT regardless of the tex regime. any liabilities.
Oil companies claim, however, Furthermore.

> which would have been underway project. by now if some of the smaller com-panies had not been strapped for cash," said Mr Butler of BP. This means that even if the larger partners, most of which have substantial cash reserves, want to proceed

with a project they have not been able to do so. Oil companies have suggested several measures to

an immediate success, and within which was abolished last year but is months exploration had rebounded not due to be repaid until 1988. strongly.

This time, however, major changes seem unlikely. The system most of the tax. The three largest

Revenue Tax was introduced at a ic before tax but made uneconomic the minimum at which PRT beafter tax. Few compenies actually comes payable, and because they dispute this. With oil at \$10 a beared, generally have enough exploration

that the most pressing reason for might in the short term cut rather loosening the tax system is to let than boost exploration expenditure, them out of their cash strait jacket because it would reduce the tax in-There are a number of projects centive to proceed with any new

Cutting royalties would not have the same unwanted side effects. But like any measure which merely gives cash back, it would not ensure an increase in activity. Companies might well use the extra funds to repair damaged balance sheets or

increase dividends. Of the cash-boosting m the one preferred by the Govern-ment seems to be the early repayment of APRT, which could amount to a gross payment of £300m, and which would help some of the com-panies out of their present bid. This tax has amounted to an interest free loan to the Government, which may have been appropriate when oil prices were rising, but does not

seem so now.
The industry wants other The industry wants other changes to encourage investment. The most important would be to abolish ring fences between fields, so that the development costs of one field could be offset against the DDT liabilities of confiset against the

Continuous annealed timplate is a competitors in the use of efficient stiffer, harder material than tradi- continuous casting operations.

INTERNACIONAL DE CEREAS LIMITADA V **BUNGE AG**

Queen's Bench Division (Commercial Court): Mr Justice Staughton: June 19 1986

WHERE BUYERS are in breach of a contractual obligation which is antecedent to their main obligation to pay for goods and to provide a ship to receive them, and the sellers choose to disregard the default and to leave the contract open till the last day

days on giving appropriate they did not accept the declaration of default. The contract was specially so in giving appropriate notice and in return for paying carrying charges.

The buyers' breach of contract are assessed with reference to the last day for shipment because it is only then that default under the main obligation becomes certain.

Mr Justice Staughton so held when dismissing an appeal by buyers. Lusograin Commercio International de Cereas Limitada, from an arbitrators' award assessing damages as at May 16

1983 for their breach of a contract was portion of default. The contract was period ... buyers shall automatically be in default ... and the date of default that the buyers were in breach of contract as to the 13,601 tonnes. The dispute was as to the date of default shall be the buyers were in breach of contract as to the 13,601 tonnes. The dispute was as to the date of default shall be the buyers were in breach of contract as to the 13,601 tonnes. The buyers said it was May 16, the next business day after they became in breach of agive notice of a failure to found when dismissing an appeal by where there was an earlier default because of failure they were obliged to give at least 15 days' notice of readings of their breach of a contract was an expected on board, and to pay for them. But before those on which damages should be measured. The buyers said it was dealing only where there was an earlier default because of failure to fulfil an antecedent obligations— they were obliged to give at least 15 days' notice of readings of their breach of a contract was to the detaut. .. and the date of default. .. and the date of default in the extended of the buyers were in breach of contract as to the 13,601 tonnes. The buyers said it was dealing only with the extended of days of the buyers were in breach of their they became in breach of the last day following such period ... buyers shall automate the date for delivery, May 30.

Mr Longmore, for the buyers were in breach of contract as to the 13,601 tonne

Default must be certain for damages assessment

shipment. Mr Justice Kerr on the second ground, in which buyers' main obligations, taking and Son), upheld the award.

tine bread wheat fob, delivery to take place in February and March 1983.

The terms of the contract were to be garnered from three documents: a confirmation of sale signed by both parties, from 64 of the Centro Exportadores Contract Exportado the sellers were entitled to opt a for clarity and certainty if they

FT COMMERCIAL LAW REPORTS

and Ebbw Vale, Gwent. The three sites, between them, produce all UK

tinplate and employ a total of 4,700

net reduction of 25 to 30 jobs in

Trostre's workforce of 1,778.

tine bread wheat fob, delivery to take place in February and March 1983.

This will damage the growth prospects of Britain's steel comming industries, the council argues.

Spreading investment thinly over

too many plants will hurt, in particular, the corporation's attempts to catch up with some of its European

the state of the s

shipment. Mr Justice Kerr upheld the award.

He said the buyers were no doubt already in breach before the end of the shipment period, but it did not follow that damages were to be assessed by reference to earlier dates because: first, even if the breaches of conbreaches of c

ment and the buyers tendered of the obligation to secure an obligation to secure an obligation to secure an obligation to secure plants.



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We've finally found an answer to this ancient Chinese puzzle.

In the Chinese capital of Beijing (Peking) the bicycle is still the most popular form of transport.

Almost too popular you might say.

Because at 7.15 every morning, a few million cyclists on their way to work converge on the city centre and create one almighty traffic jam.

It's a ticklish little problem that had baffled the authorities for years until just recently they hit upon an answer 6,000 miles away.

Here at Plessey in Britain.

The green light.

What brought Plessey to the attention of China was our unique traffic control system that's already in operation in the UK. To date, eight major cities have installed it. Another six have it on order.

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Now, we're about to supply, install and commission hardware and software for the project.

This includes intersection controllers, detectors, plus computer management with operator peripherals and wallmap displays.

So, 15 months from now, Beijing's cyclists should be happily freewheeling again.

All systems go.

Our traffic control systems are merely the tip of the iceberg as far as Plessey's activities go.

We're dedicated to technology in areas as far ranging as telecommunications, defence and micro-electronics.

Our investment for the future too, goes beyond research and development and into people.

In recent years we have recruited up to 10% of the nation's brightest electronics graduates.

Many of them stay with us and become part of our management structure. So that most of our divisions have managing directors in their forties—with a strong entrepreneurial spirit.

Our operating profits over the past 5 years underline the fact. They show an increase of 89% with a compound annual rate of growth in profit before tax of 15%.

And this over the most testing period for any electronics company spanning as it did the huge technological change from analogue to digital electronic systems.

The fast lane.

The next few years look particularly healthy for us in the area of new product development.

Equally, initiatives in the United States, Europe and Australia suggest a substantial strengthening of our international operations.

For this success to continue, it is vital that we preserve the qualities which make us unique as a company.

And we believe that we can only do this by maintaining our independence.

Having just helped a whole city to speed up again, we'd hate to see ourselves slowing down.

PLESSEY
The height of high technology.

Finencial Times Saturday 142 D. 1888

EDITED BY CHRISTOPHER LORENZ

MANAGEMENT

"WE HAVE completely spoiled our relationship with the world outside the plant. We go round the ministries and departments and we argue, demand and swear at them," said the manager of the Soviet Union's biggest car plant at Togliatti. The cause of this conflict is

14 ...

that the Togliatti Enterprise, called Vaz in the Soviet Union, is at the centre of an experiment in managerial and financial autonomy which Mikhail Gorbachev, the Soviet leader, wants to spread to the rest of Soviet industry as quickly as possible. He said last month that 200 of the country's biggest enterprises will join the same scheme at the start of

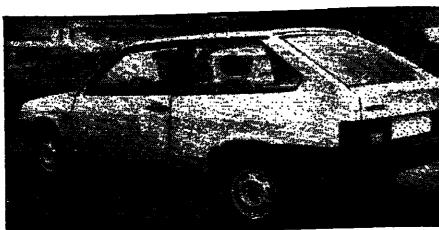
The aim is to raise productivity and the quality of production, limit the degree of central control by Moscow and to link wages more closely to the output of an improved product. Gorbachev says that only in this way can Soviet products attain international levels of quality.

The Togliatti plant, never a badly organised one by Soviet standards, began the experiment last year and some of the potential, and of the problems, facing the new initiative in Soviet management are now becoming clearer. This is important because the same difficulties and tensions will be felt throughout Soviet industry over the next decade as the biggest manage-ment change since the 1930s is introduced.

The plant itself is vast even by Soviet standards. It employs 125,000 workers in Togliatti, of whom 97,000 work in three shifts on site. Its three main assembly lines stretch two kiloassembly lines stretch two kilometres along the north bank of the Volga where the river loops around towards the city of Kuibyshov. The plant produced 721,000 cars last year, close to its recent average, and above its planned capacity when it was opened in 1970. A third of the cars are exported, half to eastern Europe and half to the

A central feature of the cur-rent experiment is a bid to make the enterprise self-financing through retention of profits. These are now to be divided with 47.5 per cent going to Vaz. 47.5 per cent to the government and 5 per cent to the Ministry of Automobila In-Ministry of Automobile Industry. At the same time the management at Togliatti will be able to retain and control 40 per cent of the hard currency earnment at Togliatu, and a parallel one at the Summer machine building enterprise in

the emphasis has always been on tight central control by Moscow while local management implemented a plan emphasising the state of ministries in the tar man. The issue is important the izvestia newspaper about the reaction of ministries in because Togliatti is very largely self-reliance.





of work. For instance, before

the experiment started last year,

In the forging plant, for

instance, a large poster about drunkenness lists benefits which

Companies in the west buying Ladas say that the number of defects has dropped significantly over the past six months

A Soviet experiment in autonomy

Patrick Cockburn explains why managerial independence is being exercised at the Vaz car plant in Togliatti

volume of production. Unlike volume of production. Unlike western enterprises, where manufacturing is generally dependent on the sales department and smooth relations with the banks, the day-to-day business of a Soviet enterprise is dependent on material supplies, and this is the predominant worry, according to Professor Sasile Kerblay in his authoritative work, Modern Soviet Society.* An allocation voucher issued by a central or regional issued by a central or regional authority is more important

The plan now is to make economic levers — cost accounting, financial autonomy, profitthan money. ability and productivity—rather than administrative flat from above the main priorities for management.

Implementation of the experiment also means continual friction with existing ministries friction with existing ministries and departments, none of which has had its authority or functions officially limited. Speaking to foreign journalists, the present management at Togliatti minimises these differences. "All the conditions of the experiment are being fulfilled at experiment are being fulfilled at present," Alexey Nikolaev, the first deputy managing director,

machine building enterprise in rings from its exports.

This is in sharp contrast to the way in which Soviet enterprises are normally run. Since industrialisation in the 1930s industrialisation in the 1930s are few who want to give up

Lada's home

town

THE city of Togliatti, once called Stavropol on Volga but renamed after the wartime Italian Communist leader, owes its development to the Volga automobile factory (Vaz), which was built between 1967 and 1970. The population then of 120.009 population then of 120,000 had already been boosted by the construction of a dam and the construction of a dam and hydro power station across the Volga in 1957. The build-up of water behind the dam covers most of the old city.

The population today is 640,000 and is housed in three big districts separated by a stretch of untouched forest. It will increase to 850,000 by the end of the century. Soviet plants like Vaz often control housing, recreational and medical facilities which in the west.

> Moscow towards abrupt decentralisation. The new way of managing Soviet enterprises has not replaced the old method but exists uncomfortably alongside

> For instance, Nikolaev says that Vaz now has no problem exercising its authority over the 40 per cent of foreign currency earnings which it is meant to control. The Foreign Trade Ministry, which has monopoly control of all Soviet foreign trade, "just does the paper work."

At Togliatti, the kinder-gartens and schools appear to be of high quality, but there are few cafes, bars or places for adults to meet. The sanatorium, on the edge of the forest, has been emptied and a red and white sign over the doorway reads: "Wel-come to our suests from come to our guests from Gomel." Gomel is a district

immediately north of the Chernobyl atom plant from which people are being evacuated. Other than the Vaz car plant. Togliatti has five chemical works—too many according to local people—a machine tool and cement plant. The average age of people in the city is 29 but President Gorbachev noted during his recent visit that President Gottpachev notes during his recent visit that facilities are small. Going through the Vaz factory he said an elderly woman had pressed a piece of paper into his hand which he read out at a meeting: "It is written

facilities, which, in the west, would be either under municipal or private authority. dependent on foreign-made machinery at all stages of manu-facturing. Ability to order equipment quickly is key to the management's aim to introduce

here in pencil. There is no-where to go with the children. There is no theatre and one cinema."

the district, housing 300,000 people, immediately around the car plant. Local officials the ear plant. Local officials say that facilities are not in fact that had given that the city has grown faster than anywhere else in the Soviet Union. Most of local investment has gone into housing but unmarried workers arriving in Togliatti live in dermitories where two share dermitories where two share a room.

The dumpiness of the architecture of the residential tower blocks and the flat, low shopping precincts does lead to a feeling of sensory deprivation after a time, but "give this place another 20 or 30 years and it will be a good place to live," said a local resident just turned 30. This seems a reasonable judgment.

dependent on foreign-made machinery at all stages of manufacturing. Ability to order equipment quickly is key to the emanagement's aim to introduce new models every five years. The problem is that while Vaz theoretically controls 40 per cent of its foreign currency it still needs a document from the machine building industry ministry saying that a machine it wants to buy abroad cannot be manufactured in the Soviet Union. Few in Moscow want to put their name to such a piece of paper at a time when President Gorbachev is emphasising self-reliance.

The experiment at Vaz also includes an effort to make productivity and quality production central to the way the work-force is organised and paid. This involves paying bouuses to work teams which in turn allocate the money to its individual members. For the 504 men and worker is female) who work in the forging plant at Togliatti, these bonuses make up 10 per cent of the salary of a work team but up to 30 per cent of a single worker's wage.

There are signs that the complicated system of incentives is having an impact on the quality The experiment at Vaz also

can be lost by workers who persistently offend the new anti-alcohol regulations. These include an end to all bonuses, summer holiday packages,

and job downgrading. The devolution of authority

entry to the company rest home, additional subsidies for lunch

from central ministries and state committees under the experiment also means a major change for Soviet managers, The emphasis on volume produc-tion under a centrally devised plan over the past 50 years turned many Soviet managers into sergeant majors good at obeying orders, poor at innova-

planning committee's plan for dealing with matters which top industry executives, and per-haps even directors of industry,

At Toglistti the quality of at logistic the quanty of management looks better than in many other Soviet plants but neither they nor anybody else in the Soviet Union know how far the role of the manager will change over the next decade.

change over the next decade.

The experiment, though still in its early stages, has clearly made a difference at Togliatti. But how fer is the experience gained there of universal applicability throughour Soviet industry? The Vaz plant differs from almost all other enterprises in the Soviet Union in that it produces a manufactured product to compete in Western markets and much of its capital equipment comes from abroad.

Much more modern many of the presses were not ready for use during the first hour of a shift. A system was introduced whereby if the team

more.

Much

introduced whereby it the team in charge of the maintenance and adjustment of the presses had 50 per cent working first thing they received a bonus of 10 per cent on top of their wage, if 60 per cent a bonus of 20 per cent and so on. This enables a skilled adjuster to earn 500 roubles a month compared with a plant average of 240 roubles. Much more modern machinery than is to be found in many Soviet factories was in place before the experiment began. At the same time it is a prestige plant visited and praised by President Gorbachev with far more leverage in Moseow than most other Soviet enterprises which are wholly vulnerable to the contrally a plant average of 240 roubles. The quality of the car coming off the end of the assembly line has also improved, though the rejection rate is still high. "The reject rate has dropped by between 3 and 5 per cent to 12 per cent of ears since the average." enterprises which are whenly vulnerable to the controlly controlled allocation of resources. The high price of its cars (the new Samara will cost 8,390 roubles, £7,550) means that self-financing is much easier than in enterprises which produce a range of transper cent of ears since the experiment started," according to the head of quality control in the testing area. This is confirmed by companies in the west buying the Lada which say that the number of defects in each car which produce a range of pro-ducts the profitability of which is valuetable to central control of the prices of inputs and they receive has dropped significantly over the past six This system of incentives is not applied in the same way throughout the plant; it is used most fully where there are bottlenecks. But a wealthy Soviet enterprise like Vaz has the non-financial incentives in

economic experiment backed by the Communist Party is far by the Communist Party is far from being a laboratory test case for reform. The Vaz plant does not exist in a vacuum. In the long run it is obviously impossible for a few Soviet plants to be separated eff from the way the rest of the Soviet scopenny is run. "We are white crows." said one senior manager, "Either the rest will become white or we will become black." other non-financial incentives in the form of extensive fringe benefits which it can sometimes withhold to enforce discipline.

Management abstracts

in computer-sided design / manufacturing sys-tems. F. E. Taylor in Chartered Mechanical Engineer (UK), Sept 85 (3 pages)
Reviews the security risks to
CAD/CAM systems in light of increasing system intercom-munication and standardisation, which enable their unauthorsystem gives managers greater
responsibility in the running of
the plant. Last week President
Gorbachev attacked the state
planning committee's plan for which allow risks to be countered (e.g. access control, information arrambling and passwords). Notes that there is little legal protection against these security threats as the responsibility for protection lies with the system operator.

The executive family in overseas assignments, M. G. Harvey in The Columbia Review of World Business (US), Spring

85 (84 pages)
Identifies some of the stresses
and difficulties facing the family and difficulties facing the family uprooted when an international executive gets a new posting; argues that the only satisfactory way of easing the situation is through a much more rigorous selection programme for executive and family.

Fierible Materials Management Systems. C. Schuk in Indus-trial Engineering (USA). Nov 85 (4 pages) Contends that computer-con-trolled manufacturing systems, e.g. MRPII, can only be exe-cuted satisfactorily by using a feerible materials management flexible materials management system to address all aspects of ray material movement and storage; shows how such a sys-tem can be extended to real time by linking it with the mantime by imping it with the man-agement computer system. High-lights beautits of real-time con-trol such as the immediacy of response and the ability to track material route: provides ex-amples of a food distributor and pharmaceuticals company to illustrate the advantages of realtime stock information.

These alistracts are condensed from the abstracting journals published by Asher Managament Publications Lippmed copies of the original articles may be obtained at a cost of 54 each including VAT and p & p. Cash with order) from Anhar. PO Box 23, Wembley HAS SUL.

Standard Oil

The oil reserves of Standard Oil were given incorrectly in Wednesday's article as 0.6bn berrels as a result of a transmission error. This abould have read 2.6bn.

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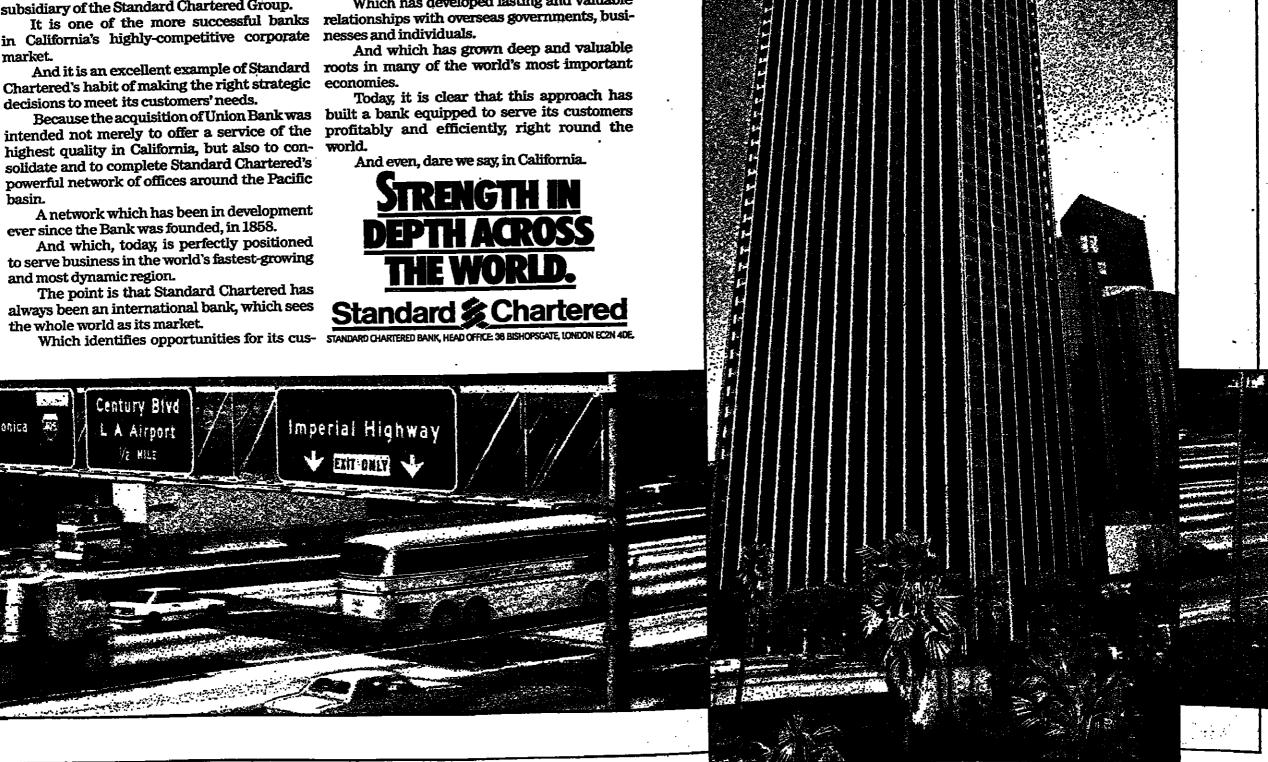
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market.

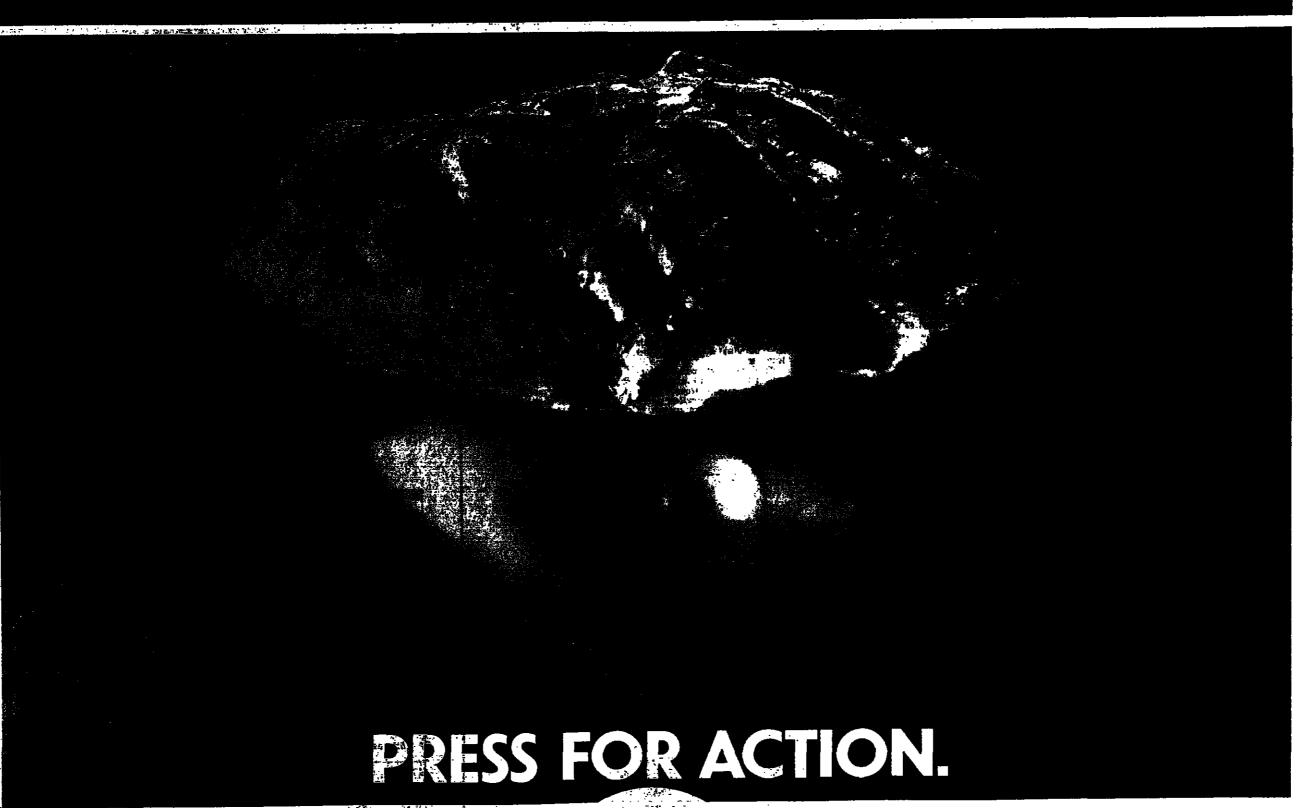
intended not merely to offer a service of the highest quality in California, but also to consolidate and to complete Standard Chartered's powerful network of offices around the Pacific basin.

the whole world as its market.

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Name (Mr/Mrs/Ms)_

The Action Bank Postcode

Financial Times Friday July 11 1986

ANNOUNCE A REDUCTION IN INTEREST RATES

WE ARE PLEASED TO ANNOUNCE TO ALL OUR CHARGE CARDHOLDERS, A

REDUCTION IN INTEREST RATES. THIS

REDUCTION WILL BE APPLIED TO ALL

CHARGE CARD ACCOUNT STATEMENTS

THE REDUCED RATE WILL BE 2.2% PER

DIRECT DEBIT. IF PAYMENT IS MADE

BY OTHER MEANS THE RATE WILL BE

2.5% PER MONTH (EQUIVALENT TO AN

ACCORDANCE WITH CLAUSE 9 OF THE

NWS TRUST LTD., NORTH WEST HOUSE,

CONDITIONS OF USE FOR BOOTS

PRODUCED FROM 18TH JULY 1986

MONTH (EQUIVALENT TO AN APR 29.8%) IF PAYMENT IS MADE BY

THIS NOTIFICATION IS IN

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BOOTS CHARGE CARD IS WITH

CITY ROAD, CHESTER CHI 3AN.

(INCLUSIVE).

APR 34.4%).

Company Notices

A/S JYSKE BANK
US\$100,000,000
Subordinated Floating Rate
Notes due 1995
In accordance with the terms

and conditions of the Notes

and conditions of the Nores, notice is hereby given that for the six months period from July 10th 1986 to January 12th 1987, the Notes will carry an interest rate of 615% (including the margin of 16%).

The Coupon amount so calculated will be US\$358.44 for denominations of 18\$10,000 and

denominations of US\$10,000 and US\$8,960.94 for denominations of US\$250,000.

Legal Notices

NOTICE IS HEREBY GIVEN that the

NOTICE IS HEREBY GIVEN that the creditors of the above-nersed Company, which is being voluntarily wound up, are required, on or before the 3rd day of August, 1995, to send in their full Christien and sumanes, their addresses and descriptions, full perticulars of their debts or claims, and the names and addresses of their Solicitors (if any), to the undersigned M. J. ISAACS, FCA, of 3rd Floor, Peter House, Oxford Street, Manchester M1 5AB, the Liquidator of the said Company, and, if so required by notice in writing from the said Liquidator, are, personally or by their Solicitors, to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution-meds before such debts are proved.

s 3rd day of July 1986 M. J. ISAACS, Liquid

STEVMAR CATERING EQUIPMENT SUPPLIES LIMITED

LEONARD CURTIS & CO.,

CHARGE

14

TECHNOLOGY

Pirelli truck operations follow successful car tyre formula

Lower profile—greater productivity

By John Griffiths



BEHIND closed doors, in an inconspicuous part of its main factory on the outskirts of than conven Milan, Pirelli is proving its pro- radial tyres.

duction processes of the future.

That future is less than a year away. It will arrive first not in Milan, but at a sister plant, Settimo Torinese, in Turin. From early 1987, the plant's output of 1,500 truck tyres a day will be produced by a workfore sure.

Tadial tyres.

Twin steel belts laid above and at the extreme edges of the "support" belts (see diagram) are the key, reducing carcase deformation caused by the combined action of centrifugal force and inflation pressure.

will be produced by a workforce of 600, half the current number. The consequent big jump in productivity will be due to the pilot facility which has been operating for some months in

It employs only a handful of workers, and its tyre output is token. But it has demonstrated that the formerly labour-intensive production of truck tyres is no longer necessary.

Truck tyres are a lot more complicated to make than they might appear — and Pirelli's current range even more so. They are the first generation of low-profile radials with which the Italian tyres and cables group hopes to repeat in the commercial vehicle sector the revolution it pioneered in the car tyres business.

car tyres business.

Its first high performance, low-profile car radials, P6s and P7s, were introduced in the 1970s. They opened up a sector in which Pirelli, and subsequently other tyre makers, could steer away from mainly price-based competition. Low-price-based competition. Low-profile tyres have become a lengths of each material, removing their protective wramping. could steer away from mainly from an assortment of racks price-based competition. Low-profile tyres have become a "glamour" purchase, attracting and feeding them through a premium for their roadholding and handling characteristics.

They have thus been a key factor, with productivity improvements, in Pirelli's return to profitability.

Glamour is not entirely absent.

o profitability.

Glamour is not entirely absent reeling and feeding system.

The various carcase com-

radials will cope with the heavier demands made on them for longer, and more reliably, than conventional crossply or radial tyres.

Twin steel helts laid above and at the extreme edges of the "support" belts (see diagram) are the key, reducing carcase deformation caused by the combined action of centrifugal force and inflation pressure.

Settimo Torinese plant.

Investment in similar, but slightly less automated and thus more flexible, facilities is being made at Pirelli's Breuberg truck tyre plant in West Germany, while Pirelli's UK plant at Burton-on-Trent has had in operation for some time a semi-automated facility to produce the tyres in a very wide range of sizes and treads.

Pirelli plans that within five But they are just one of the dozen or more different widths and compounds of materials years all its truck tyre plants will be fully automated. It has them in Spain and Greece, as well as one in Argentina and four in Brazil. Altogether, over which need to be wound on to the drum on which a basic tyre £110m is being spent on new production processes and TECHNOLOGICAL EVOLUTION OF COMMERCIAL VEHICLES

facilities. While the productivity increase in Turin will be quantum, the group believes it is on target for 10-12 per cent increases overall each year for

the foreseeable future. the foreseeable future.
But this is not seen as meaning inexorably shrinking work forces, as the low profile tyres desirability—just as with its predecessor for cars—is increasing demand.

Disput currently is producing

ing demand.

Pirelli currently is producing some 25m truck tyres a year world wide, expected to rise to 3m by the end of 1987, for a world market—excluding the Comecon states—of about 53m a year, and which is expected to show only marginal growth up to the 1990s.

West European demand is put

West European demand is put at 8m units a year, for original

at 8m units a year, for original equipment and replacement tyres combined; the US 16m and Latin America 8.5m.

As happened with car tyres long ago, cross-ply truck tyres have all but disappeared from Europe in favour of radials. And Pirelli says it is now at a "critical" period for the low-profile radial. It claims to be getting a good initial response to them, but says the next two to five years will confirm whether it was right or wrong to commit itself to a premium price product so heavily.

The trick taking appears to be justified. In the original equipment sector, Iveco is fitting 40 per cent of its production with Glamour is not entirely absent from the truck world—to which the burgeoning popularity of truck racing testifies. But no truck operator buys tyres just because they look good or let a truck corner better.

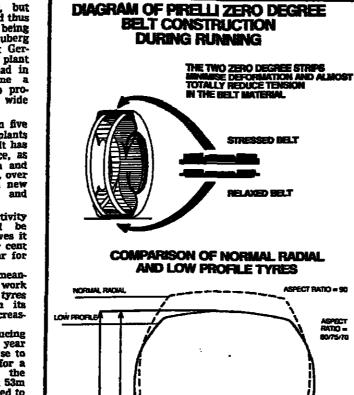
The low-profile truck radials were developed because trucks and buses have become heavier, much faster and travel longer distances (see chart).

And Pirelli claims that its "Zero Degree" low profile radial. It claims to be getting a good initial response to them, but says the next two to five years will confirm automatic sequencing system. The various carcase components are stored on reels of widely varying sizes, and fed to them, but says the next two to five years will confirm automatic sequencing system. The various carcase components are stored on reels of widely varying sizes, and fed to them, but says the next two to five years will confirm automatic sequencing system. The low-profile radial. It claims to be getting a good initial response to them, but says the next two to five years will confirm automatic sequencing system. The various carcase components are stored on reels of the low-profile radial. It claims to the getting a good initial response to them, but says the next two to five years will confirm automatic sequencing system.

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The low-profile truck radials were developed because trucks and buses have become heavier, microfile radial. It claims to the setting a good initial response to them.



justified. In the original equip-ment sector, Iveco is fitting 40 per cent of its production with the low profile radials, while about 3 per cent of Daimier Benz trucks are now fitted with them, according to Pirelli; 10 per cent Ford and a similar proportion Leyland.

bigger wheels to maintain the rolling diameter — creating room for the disc, rather than drum, brakes to which truck makers are switching to handle truck performance gains. Being lighter than conventional tyres, they not only increase payload, but lend themselves well to light alloy wheels—and further weight reductions.

that there will be really sub-stantive differences between tyres fitted to front and rear axles, with yet other designs for semi-trailers.

a compromise, with test rigs, no matter how sophisticated computers and systems become, mable to supply all the answers. Tyre technologists can design on a screen but design on a screen but the company accepts that because of the nature of tyre compounds, in being subject to the distortions of elastoplastic stress, computer models incorporating all aspects of stress and strain simply cannot provide all the answers. Reallife testing, says Pirelli, will remain indispensable.

Some very much real-life testing has given Pirelli reasonable grounds for confidence in the future of the low-profile truck radials. They have which far from being a cowboy activity is very much truck

more difficult to develop than those for cars, taking three-five years to develop from scratch with a single tread pattern costing \$2.5-\$3.5m to develop.

"It is not a fashion product," explains the company, "So it is changed mainly because of manufacturer supported. And they are fitted to a Pirelli-sponsored Ford Cargo truck which, powered by an Avon 302 jet engine out of a Lightning fighter, is trying for without the tyres disintegrating —that is slightly faster than a Ferrari Testarossa travelling

come in aspect ratios—height as a proportion of width—of 70, 75 and 80 per cent, compared with a normal tyre's 90 per cent.

Various advantages are claimed, including the use of

So what is the next step in truck tyre development? Pirelli executives say they believe the focus is shifting to new compounds so specialised that there will be really substantive differences between

Yet truck tyres will remain

become standard fitment on the European truck racing circuit,

changed mainly because of a new truck land speed record. So far it has topped 300 kph or a technology breakthrough."

Pirelli argues that this is why so much has been invested in the zero degree tyres, They

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The dividend will be payable in United State Dollars (except to respects of the United Amdemy and will amount to \$0.1676 per Depositations before deduction of emy Japanes Witsholding Tax.

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Alternating to down to the first the alcremor stoned concessions stating to Jesonese With holding Tax apply only to conductor prevented to permett within live months of the record dok Le. 31st March 1986. Thereafter, Iss wiff be ducted at the full rate of 201s, and it will be the responsibility of the owner to claim from the highest Eric Astronomy. Say, jedned to which he is entitled.

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July 10, 1986

Hitachi makes it crystal clear

DISPLAY SCREENS with an effective area of about 9 x 6.5 inches (220 x 166 mm) and a thickness of only
0.5 inch (12 mm) have been
put on the market by
Japanese company Hitachi.

of liquid crystal technology, the screen has a definition of 640 x 200 pixels (picture elements). Hitachi says it has been able to double the contrast compared with normal liquid crystal displays normal liquid crystal displays (LCDs) without sacrificing definition. This is a fundamental problem with such displays because they have to be addressed or scanned in rows and columns of pixels down two sides of the screen. The more pixels there are, the more difficult it is to

each of them in the short dwell times available.

These and other addressing problems mean that the dis-plays are not suitable for moving TV pictures—the switching time of the pixels is too slow. The units are

COACH

HP 200



ENGINEERING BOARDS of heavy density and high strength called Duratec have been launched by Cape Industrial of Glasgow.

The product has been developed as a replacement for high density asbestosits strength at

VOICE SCRAMBLERS aimed at the business market are effered by the Edinburgh company Caintech under the name Cypherphone PX and



der a telephone instrument.

mines the way in which the speech analogue waveform is digitised and the called party



Truck tyres, because of the

tremendous stresses to which

they are subject, are much

arranges the digits and sends what will be an unintelligible ar the receiving end, the sound is digitised again, the digits returned to their proper form, and a digital to analogue conversion restores the original speech. More on

French aid to building designs

COMPUTER-AIDED design software for architects and builders that will run on per-Apple 2 and IBM PC are offered by French company Giméor of 96 Boulevard de la Liberation, Vincennes F-

Called Architrion, the package allows users to work interactively in three dimeninteractively in three dimensions and produce plin, elevation, and perspective views. Written in the "C" computer language, the programs are modular and there are add-on packages that allow measuring and estimating and the maleculation at ing and the calculation of thermal coefficients,

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14 -



Music

Aix-en-Provence (July 3-Aug 2): Opera Festival: Don Giovanni, Idomeneo, Tancrede, Ariadne auf Naxos, reci tals by Margaret Price, and Jorge Vittoria, Palestrina, Mozart, Mendelssohn, eethoven, Bach, Vivaldi concerts (4223 3781).

Sully-sur-Loire (July 4-Aug 2): Chamber music by Quatuor Brandis, Prague Suk Quatuor, Salzburg's Mo-zarteum's Camerata Academica, zarteum's Camerata Academica, Teresa Berganza recital, Aldo Cicco-lin's and Alexis Weissenberg's pia-no recital alternate with La Nuit du Jazz, the Cambridge Buskers and orchestra playing Verdi's Requiem, Beethoven, Wagner and Prokofiev (3835 2946).

(3836 2946). Vaison la Romaine (July 6-Aug 1): The Theatre Antique is a perfect back-drop not only for Maurice Bejart's ballet, Soiree Lifar and Maguy Marin's company but for Moscow's Vir-tuosos, Lyon's Opera Orchestra conducted by Stefan Soltesz, with Fra -Rene Duchable as soloist in a Liszt concert, and Romania's State Orchestra ending the festival with

(9036 0625).

Festival Mediterraneam from the Pyrenees to the Cote d'Azur (July 5-Aug 29). Perpignan: Orchestras (4729 8866).

Opera and Ballet

auss' Wiener Bhrt and Mozart's Die

Entführung aus dem Serail Every day except Sunday at the Schönbrun Palace Theatre

LONDON

Royal Opera, Covent Garden: the now rather aged and shabby John Cop-ley production of Cosi fan tutte comes back for an end-of-term run,

with Gabriele Ferro as conductor and an oddly mixed cast including newcomers Karita Mattila, Anne

newcomers Karita matting, American Sofie von Otter, John Aler, and the veteran Walter Berry. Further per-formances of the new Fidelio. Colin

Davis's last conducting assignment as Royal Opera musical director, with Elizabeth Connell, James King.

Volksoper

(82 45 66). ie Fiedermans. (42 800/20 85). (Wed).

from Toulouse, Strasbourg, Lyons, and the London Symphony Orchest-ra conducted by Lorin Maazel, Amelie les Beins: Narciso Yepes, gultar. Estagel: Miquel-Angel Estrella, pia-no. Saint Jean Cap Ferrat: Ruggero Raimondi, baritone. Cassis: Acade my of St Martin in the Fields. Salon de Provence: Montserrat Caballe, soprano, Jean-Pierre Hampal, flute, Marielle Nordmann, harp, Alexis Weissenberg, piano. Cap d'Adge: Ris Moser sonsano Moser Victor Eda Moser, soprano, Moscow Virtu-osos, Vladimir Splvakov, and Barba-

ra Hendricks recital. fentpellier (July 12-August 4): A fes-tival of recitals by Christa Ludwig. intserrat Cabaile and Teresa Zy montserrat capane and teresa 27-liagara, with five different sym-phony orchestras conducted by Erich Leinsdorf, Claudio Abbedo, Marek Janowski, John Eliott Gardiner; six chamber music ensem and ancient music ensembles, with Alexis Weissenberg, Aldo Ciccolini; Andras Schiff as piano soloists and Andras Schiff as piano soioists and Pierre Amoyal as violin soloist. Scott Ross giving a harpsichord rec-ital: All of which culminates in a ho-mage to Franz Lisat on the hun-dredth anniversary of his death (8768 0082).

brozo, pianos: Liszt (Tue 6pm). Audi-torium des Halles, 5 Porte Saint-

The Cheir of New College Oxford with Edward Higginbotton as conductor and organ soloist (Tue). Sainy-Severin Church.

Elisabeth Chojaacka, harpsicord, Yumi Nara, soprano, Manrice Ohana, piano: M. Ohona's compositions (Wed). Anditorium des Halles.

Groupe Vocal de France conducted by Michel Tranchant. Schutz. Palestrina, L. de Pablo, Daniel-Lesur (Taur). Auditorium des Halles.

Jorge Bolet, piano: Liszt (Thur). The

(Thur). Auditorium des Hauses.

Jorge Bolet, piano: Liszt (Thur). The
Law Faculty 92, Rue d'Assas.

All these concerts are part of the Paris
Festival (4764 9080).

Taped information in English Monday London Festival Ballet opens with Ashton's Romeo and Ju-liet, and on Wednesday Natalia Ma-karova joins the company for one gala performance of Cranko's One-cin.

Milan: Testro alla Scala: Bellini's La Sonnambula conducted by Gianan

dres Gavazzani with Luciana Serra, Patricia Pace and Bonaldo Giaiotti

Patricia Pace and Bonamo Gianth (Fri); and with Lucia Allberti, Mir-iam Genci and Giorgio Surjan (Sat). Production by Ermanno Olmi, with scenery and costumes by Mauro

Pagano. (80 91 20).

come: Terme di Caracalla: Rome Opera's summer season opens with
Donizetti's Laxia di Lammermoor,

Donizetti's Lucia di Lammermoor, conducted by Friedrich Haider and directed by Alberto Fassani. Edita Gruberova sings the title role, with Juan Pons and Alberto Cupido: scenery and costumes by William Orlandi. (Sun. Wed). (46 17 55). Verona: Arena di Verona: Season opens with Umberto Giordano's Andrea Chenier, conducted by Gianhi-

drea Chenier, conducted by Gianhu-gi Gelmetti and directed by Attilio

scenery and costul Pagano. (80 91 26).

London Philharmonic Orchestra, conductor Kleus Tennstedt, Shlomo Mintz violin: Beethoven. Festival Hall (Mon). (928 3191). Yehudi Memmhin School Orchestra with Sir Yahudi Menuhin, director/ violin in a 70th birthday concert El-gar, Bartok, Vivaldi. Barbican Hall

(Mon). (638 8891).

Carl Flesch International Violin

Competition finals at the Barbican Hall (Tue, Wed, Thur).

Sournemouth Symphony Orchestra, conductor Louis Fremanx, Michel Dalberto piano, Peter Hurford or Dalberto piano, Peter Hurford or Carlo Ca

gan: Bizet, Satie, D'Indy, Saint-Saens. Festival Hall (Wed). Lontano, conductor Odaline de la Mar-tinez, Shelagh Sutherland piano: Steve Martland, Constant Lambert, Richard Rodney Bennett. Elizabeth

Hall (Wed).

Craig Shoppard, piano: Chopin, Scriabin, Beethoven. Elizabeth Hall (Thurs). hillarmonian Orchestra, conductor Simon Ratile, Katia and Marielle Labeque, pianos: part of the Après Paprès midi season of French music Ravel, Poulenc, Debussy. Festival

METHERLANDS

Enstache.

The Cheir of New College Oxford with Amsterdam, Nieuwe Kerk; organ recital by Jacques van Oortmerssen Buxtehude, Bach (Thur). (268 168).

oleto (29th two worlds festival): Teatro Caio Melisso: midday chamber music concerts every day. (4 02 65); Concerto in Piazza: Christian Badea conducts the Spoleto Festival Or-chestra, the Westminster Choir and the Santa Cecilia Academy Choir in Verdi's 'Stabat Mater' and Berlioz's Te Deum (Sun). (4 02 65). Rome: Piazza del Campidoglio: the S. Cecilia Chamber Orchestra, with pi-anist Alexander Lonquich playing

ciudes Monserrat Caballe, Jose Car-reras and Renato Bruson (Sat). Also La Fanciulla del West by Puccini,

La Fancinia dei west by Fuenti, conducted by Maurizio Arena and directed by Exio Zefferi: the cast in-chudes Sofia Larson, Justinio, Diaz and Valdimir Popov (Sun). Aida: Daniel Oren conducts, with Natalia

Troitskaya. Fiorenza Cossotto and Franco Bonisolli. (28 151).

Nervi (Genoa): (International Ballet Festival) Teatro Mario Taglioni: The Statigart Opera Ballet company dancing ballets by Kenneth Macmil-

lan, Maurice Bejart and Glen Tetley

ian, manner bejart and Gien febey (with soloists Marcia Haydee, Birgit Keil and Richard Gragun (Mon, Tue, Wed); also the same company in three ballets: Bejart Gaite Par-sienne, Isadora and Bolero (Thur).

Spoleso: (29th two worlds festival) Tea-

tro Romano: International Dance Marathon co-ordinated by Vittoria Ottolenghi and Alberto Testa, in two

ommengen and Alberto Testa, in two sections: Dance is Man and The Art of the Partner. (Fri, Sat). (402 65); Teatro Nuovo: Gian Carlo Memotir's Opera, The Saint of Bleecker Street,

conducted by Tzimon Barto and di-

Mozart's Eine Kleine Nachtmusik and piano concerto in D major, and Bimboni's Venetian Carnival for tuba (played by Luciano Leonardi) and orchestra (Fri). On Thursday, Bruno Aprea conducts cellist Rans Helmerson in Dvorzak's Cello Con-certo and Tchaikovsky's Symphony No 5. (654 1044).

Philippe Lefebvre, organ: Couperin, Cornet, Roberdays, Franck, Dupre.

Augustinerkirche (Fri). elsinki Youth Orchestra con by Csaba and G. Szilvay with Marko Yloenen, celio: Sibelius, Haydn, Bar-(72 12 11). (Sat). Haydn Sinfometta with Ilse Wincor,

viola: Mozart, Haydn (Sat, Wed); Ludwig Mueller, violin and Georg Hamann, viola: Mozart, Haydn led by Martin Sieghart with Ingrid Sieghart, soprano: Nejez' Missa Pro Vita Ascendenie. University Church

(Sun).

Hungarian National Philharmonic Orchestra conducted by Erwin Lukacs with Deszsoe Ranki, piano: Kodaly, Liszt, Bartok, Arkadenhof (42 800/20 85). (Tue).

Hungarian National Philharmonic Orchestra, conductor David Shallon, Mariko Senductor David Sh

New York Philharmonic (Central Park): Free concert conducted by James Coulon with celebrate Bes-tille Day followed by a fireworks display (Mon). Mostly Mosart Festival (Avery Fisher Hall: Jean Pierre Rampal Inte with John Steel Ritter piano, Leslie Par-nas, cello. Mozart, Weber, Kuhlan, Czerny (Mon); Festival Orchestra.

Colegne, Opera: the last performance this season will be The Marriage of

Figaro, with Janice Hall, Andrea Andonian and Claudio Nicolai in the

cast.
Stutigart, württembergisches Staatstheater: Viva la mamma stars Hildegard Uhrmacher and Wolfgang
Probat. In the repertory also is Nicollo Jommelli's Fetunie, produced
by Axel Manthey.
München, Bayerische Staatsoper: Munich's ammal opera festival runs
from July 7 to July 31. The second
week of performances start with

rrum July 7 to July 31. The second week of performances start with Dom Glovanni starring Cheryl Stud-er, Trudeliese Schmidt, Kurt Moll and Francisco Araiza. Other produc-tions are La Forza del Destino with Mara Zammleri. Mariana Licouscale

tions are La Forza del Destino with Mare Zampieri, Marjana Lipovsek, Wolfgang Brendel and Kurt Moll, and Le Nozze di Figaro, with De-lores Ziegler, Helen Donath, Cornel-ie Wulkopf, Thomas Allen, Her-mann Prey and Kurt Moll. Also Troades, produced by Jean-Pierre Ponnelle: This revival brings Helga Dernesch, Doris Soffiel and Bodo Brinkmann together. One evening

Brinkmann together. One evening is reserved for Tchalkovsky's ballet

Gerard Schwarz conducting, Jean-Pierre Rampal flute. Haydn, Mo-zart, R. Strauss (Tue): Claudio Sci-mone conducting, Michala Petri re-corder. All-Vivaldi concert (Thur). Lincoln Center (874 2424).

Summer Festival (Concert Hall): Highimmer Festival (Concert Hall; Ingi-lighted by a visit from the Newport Folk Festival in August, this sum-mer-long string of popular singers and musicians includes recital performance Neil Sedaka, Shirley Bas sey, Dionne Warwick and Petula Clark, Ends Aug 27.

Ravinia Festival: The 51st season honouring Mozart on the 230th an-niversary of his birth and Liszt on the 100th anniversary of his death, continues with Jon Hassell Concert Group (Mon); Aifred Brendel piano recital. Beethoven, Liszt (Tue). Highland Park. (728 4842).

ductor Takashi Asahina: Ali Mahler programme. Tokyo Bunka Kaidan (Thur). (985 4638). Vienna Strauss-Lebar Orchestra: Strauss and Lehar. Kani Boken U-Port, Gotanda (Wed).

(496 0959).
Chamber Music: Tokyo Summer Music Festival: Mozart, Shostakovich, Prokofiev, Tchaikovsky. Asahi Hall, Yurakucho, near Ginza (Wed). (980 8080).

raditional Japanese music from the Edo Period (17-19 century): Kiyari, Edo Matsuri-bayashi. Tokyo Sum-mer Music Festival (Thur).

Wright, and on Sunday morning Bri-gitte Fassbæender is giving a Schu-mann and Mahler lieder recital.

Paris Opera Ballet (Metropolitan Opera House): Rudolf Nureyev leads the company's 10-day visit with a repertory of his new Swan Lake in its American premiere along with Maurice Bejart's Arepo, Serge Lifety, La Wiesers and Francisco

Maurice Bejart's Arepo, Serge Lifar's Les Mirages, and Francine Lancelot's Lully, a recrention of ballet in the court of Louis XIV. Lincoln Center (362 5000).

New York City Opera (NY State Theatre): 20 weeks of summer opera including new productions of Werthar, Don Quichotte, The New Moon and the world premiere of Anthony Davis's X (The Life and Times of Malcolm X) continues with The Pearl Fishers and the Marriage of Figaro. (870 5600). Lincoln Center.

Ballet Nacional d'Espana (Opera House): Mixed repertory in the five-day visit of this distinguished com-pany. Ends July 20. Kennedy Center

Exhibitions

Madrid, References and Identities. An encounter of prestigious interna-tional artists welcoming the maugu-ration of a new art centre in Madrid:

Ends Sept. Madrid, Post Minimal gathers works of North American sculptors on loan by Whitney Museum in New York, complementing the recent exhibi-tion of British sculptors last February in the same premises. Palacio de Velàzquez, Retiro Park. Ends Ju-

foons in the Court of the Austries. Superb collection of painting by Ribarb collection of painting by Rib-

era, Velazquez, Carreno, Verones. Mazo, Antonio Moro, Sanchez Coelin 300, Annoise More, Samchez Cotan. Grouped together to show the splendid donation by the Fundacion Bertran to the Fundacion dacion Friends of the Prado Mu-seum: Juan van der Hamen's "Porseum: Juan van der Hamen's "Portrait of a Dwarf", XVII century. Prado Museum, Edificio Villanueva,
Paseo de Prado. Ends Aug 30.
Madrid, Nofret, La Belle, Women in
Ancient Egypt sponsored by Catalunyaeps Savings Bank La Caixa
with Haos der Kunst (Munich's
Egyptian museum) and Cairo Museum, have set up this spleadidshow to raise funds to build future
premises of National Museum of
Egyptian Culture in Cairo. This exhibition gathers 96 pieces, including
jewellery, brass sculptures, wood notion gamers we pieces, including jewellery, brass sculphires, wood boards, and paper fragments that illustrate the significance of women in ancient Egypt. Artistic treasures offer a testimony of Egyptian history over 3,000 years. A must to understand women's role with the family, religion and politics neatly pre-ed in chronological order. Fu ed in chronological order. Funda-cion Caja de Pensiones, Serrano 80.

Venice: Palazzo Grassi: Futurism and Futurisms: Fiat opens its art centre on the Grand Canal with the largest hibition to be devoted to the Fuexistion to be devoted to the fur-turist Movement, a movement born in Italy, and the first to exalt tech-mology, and to try to convey speed on canvas. More than 300 works have been lent. The paintings are mainly from 1909-18, but there are also sections devoted to literature, theatre, music, architecture, fashion and furniture, showing futurism's influence up to 1930. Ends Oct 12. influence up to 1934. Ents Cet a Flerence: Palazzo Pitti (Sala Rianca):
Mary Magdalene: Saint and Sinner:
An inspired exhibition besed on the contrasting aspects of the character of Mary (who symbolises both sin and redemption) as seen by artists at the springer.

of Mary (who symbolises but air and redemption) as seen by artists as diverse as Titism (the glorious Mary Magdalene of Noli Mi Tan-gere) to Guitiuso and de Chirico, via the gloomy and often despairing fig-ure of many of the 19th century paintings. Ends Sept 7.

Rome, Palazzi dei Congressi: La Quad-riennale: A four-yearly event re-turns after a 10-year absence. More than 400 contemporary Italian art-

than 400 contemporary Italian artists in seven sections. Entertaining, stimulating and immensely varied.

Rome, Palazzo dei Conservatori: "The Tranquil Dwellings of the Gods: a magnificent imperial palace in the Horti Lamiani. This exhibition

Financial Times Saturday July 5 1966 The state of the s

> Horti Lamiam. This exhibition leaves a vivid impression of the grandeur, grace and elegance of the palaces of the roman emperors. Assembled together are the statues, frescoes and pavings which Italian archaeologist Rodolfu Lanciani discounted in the let control AD nalcovered in the 1st century AD palsee during his excavations on the Esquiline hill in 1875. The whole area was subsequently covered over. The exhibition opens with Luncian's vivid description of the palace's breathtaking beauty: many of the statues form part of the mu-seum's permanent collection, but the frescoes have lain forgotten in the storerooms, and the exquisite fregments of glided bronze, em-bedded with agate, sapphire and la-piz lazuli, have never been put on

blic show. Until July 31. ne: Museo Nazionale delle Arti e Tradizioni Popolari (Piazza Marconi 8, eur): Precious Ornaments. A large collection of Folk jewellery from all over Italy, dating from the turn of the century, illustrated with charming photographs of heavily bejewelled countrywomen. Until

Nov 30. Padus, Certosa di S. Lorenzo: Paestum and the Doric Revival 17:20-1:ad: An exhibition organised by the Univer-sity of Salerno shows how the discovery of the three Doric temples in 1750 - isolated on flat ground over-looking the sea, south of Salerno -captured the 18th century imaginamainly drawings, by travellers from Europe and North America, includ-ing views of Paestum by Hackert, Hubert Robert, Cozens and Piranes. Until July 31.

French Masters of the 19th and 29th century: The catalogue of the y Robert Schmit exhibition read: a Who's Who in painting. There are five Boudins, the gallery's speciali-ty. Caillebotte, Cezanne, Van Dongty. Callebothe, Ceranne, van Dongen, Fantin-Latour, Odilon Redon and even Soutine grace the walls with bouquets of flowers while Chagall has a flowering tree in his redtoned sunset. Degas has a study of two danears and a fiery coloured oil of a mole combing her hair. There is of a nucle combing her hair. There is a large composition by Derain from the late 1930s, the Painter And His Family grouping in a surprisingly realistic rendering – his wife with a book, his niece, his sister-in-law, family cer and himself in the centre before an easel with a brush in his

The strong point of the exhibition is a Picasso painted in 1900, a scene of typical Spanish figures in expressive attitudes and striking colours in front of a wine shop. As a counterpoint there is a stylised Woman in a Rocking Chair dated 1956 with the same strong orange, black and blue summing up Picasso's artistic development. Galerie Schmit, 396 Bue Saint Honore (4260 3636), closed Sun and hunch-time. Ends July 19. Espano-American. Silversmith's

Hispano-American Silversmith's work: The 130 exhibits on loan from the Buenos Aires municipal mu-seum cover three centuries and are

the result of the combin legendary riches of the Peruvien mines with the exuberance of colomal craftsmanship. Silver - beaten, chiselled, filigred - accompanies everyday life. For the gaucho there are silver stirrups and cruel looking spurs. There are delightful perfume-burners in shapes of animals and maté cups for traditional herbai infusions decorated with endless ly inventive flower motives. As for liturgical objects, religious fervour tends to make the ornate baroque style rather overpowering Louvre des Antiquaires, 2 Place Palais-Royal (4297 2700).

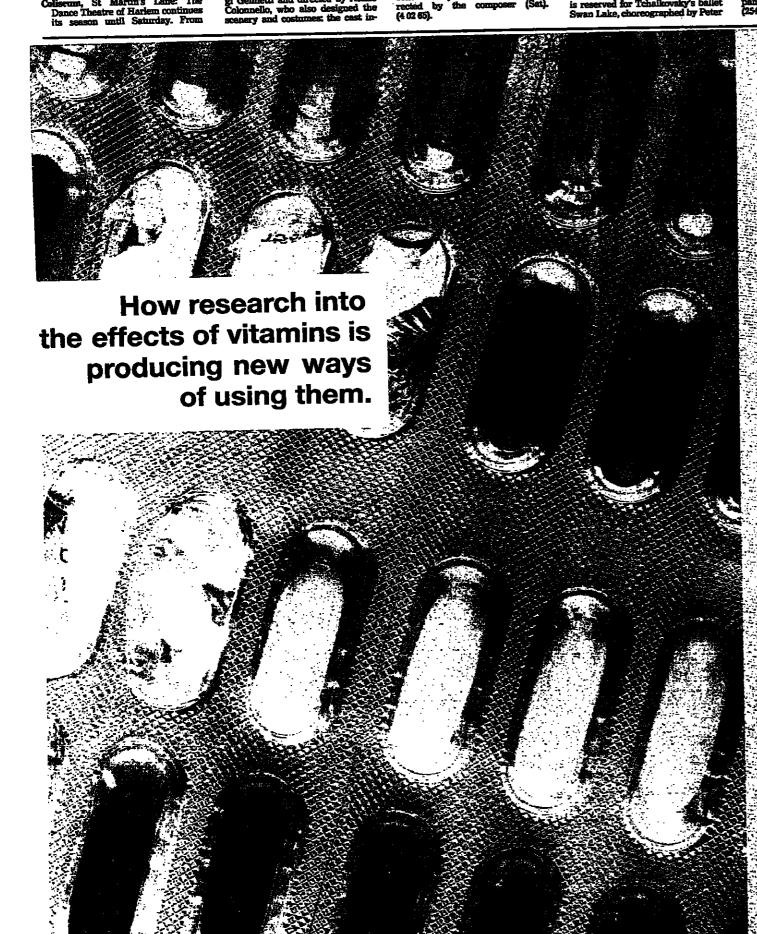
Ends Sept 6. Mediaeval art in Paris: The abouts of Cluny built their magnificent late gothic town house in the heart of the Latin Quarter on three blackened ruins of Roman baths. Now a museum, it houses mediaeval works of art; goldsmith's work, carved alter mones begins fabrics with two tar pieces, ivories, fabrics, with two English royal standards embroid-ered in gold on red velvet. In a rotunda of its own is a set of the Lady and the Unicorn mille fleurs tapes tries – an allegory of the five senses, one of the masterpieces of mediaeval art. Musée de Cluny. 6 Place Paul-Painlevé, Métro Odé-

WEST GERMANY

Düssekler, Kunstmuseum, Ehrenhof
5: Otto Panikok (1893-1986). The Passion; 60 huge charcoal drawings by
the German expressionist covering
1933-34. Ends Oct.
Essen: Villa Högel: The chairman of
Krupp, Dr Berthold Beitz, who is also head of the private Ruhr cultural
institute, was the moving force behind this exhibition, helped by Mr
Erich Honscker, the East German
leader. The Villa Hügel, 114 years Erich Honacker, the East Centana leader. The Villa Hügel, 114 years old, has been redecorated for the ex-hibition. This is the first show orga-nised by the institute, founded three years ago on the initiative of the Krupp Foundation. The treasures from the period 1694-1733 of great from the period 1694-1733 of great Electors are on loan from Dresden's state cultural collections. The eight royal collections are presented separately with characteristic master works. There is also one of the oldest and most complete coin collec-tions in the world and a huge collections in the world and a muge consec-tion of arms and copper engravings by Boucher, Chardin, Piranesti and Tiepolo. The picture gallery includes works by Titian, Poussin, Velas-quez, Rubens, Rembrandt and Cra-

The Tate Gallery: Oskar Kokoschka a major exhibition to mark the centenary of the Austrian survivor of the great age of expressionism be-fore World War I, who died only in 1980 at the age of 94. He continued to work long into old age, by which time the sometime radical, excavalryman in the Anstrian Emperor's army had been long confirmed in the Establishment, a Swiss resident for nearly 30 years and British citizen for nearer 46. This full retrospective confirms that the young

Continued on Page 14



Vitamins have a vital influence on the use of BASE wanters metabolism, affecting many impor-over periods of five and state was tant body and nerve functions.

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For instance, competer controlled Systems mention half in the care was eners i martieleag allocatica can be a morted easier the numer.

Ficie toe we all element to to ciscoverino meni sule contier solu-tions to traente sullients in this important field.

Fortugations at BASE we have: the right coclemes to the task an of course comprehensive research programme involving: screens is transferry different disciplines, backed by the latest tech aologies:

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VISION

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Financial Times Friday July 11 1986

A letter to God from the Deep South

The Color Purple directed by Ste-Murphy's Romance directed by

Enemy Mine directed by Wolfgang Half Life directed by Dennis

" Dear God,

"Mr Steven Spielberg done gone put me in a moving picture. It be called The Color Purple, it cost plenty million dollars and it be all coloured big and pretty across the screen. This Mr Spielberg, he a mighty fine picture-maker, I under-stand. He make Jaws and Close Lost Ark and sometin' call Eatee (must be about food I reckin). Hope to see you at the Oscar ceremony, God. this all I got time for now. Love.

But God, or at least virtue and justice, failed to turn up at this year's Oscar ceremony. It was a night when the Motion Picture Academy had their recurse Academy had their revenge on the infurlating boy prodigy (still under 40) who in a recession movie era keeps turning our smash hits as if he cannot help it. Confronted with The Color Purple (which is inching towards 100 million dollars at the box office even as we speak), Hollywood chose to play Salieri to Spielberg's Mozart. Eleven nominations; no Oscars; the greatest gift-wrapped snub in Oscar history. All the awards went instead to

is merely to say that Mozart had his off days. The movie is still bristling with genius, a touch more erratically manifested, and Spielberg is still maginfi-cently Spielberg.

Alice Walker's original novel,

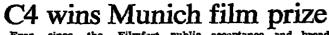
a Pulitzer Prizewinner, is written mainly as letters "to God" from the poor, plain and persecuted black heroine Celie. The other parts of the book consist of letters exchanged between Celie and her sister Nettle, who has gone to Africa with a missionary couple.

Celie's letters are written in a faux naif vernacular full of innocence and vitality. The book floats along on its dyslexic charm, at least until we realise, through the contrast with the literate prose written by Nettie, how completely it is an author's contrivance: and how its cosying lilt is being used to slip us heavy-duty messages about black and female oppression in the early-century American South.

Spielberg takes the style at face value. While remaining scrupulously faithful to Walker's storyline, he turns its whole mood into that of a fairy tale. The film is Gone With The Wind crossed with Disney. Both the polemical thrust and the sexual details of Walker's book are transmuted into a folkloric

The heroine Celie begins as a little girl lost, abused by her supposed father who has sired Mozart. Eleven nominations; no
Oscars; the greatest giftwrapped snub in Oscar history.
All the awards went instead to
a film empty-headed, emptyhearted and big with bogus
prestige. Out Of Africa.
To say, as many have, that
The Color Purple is the worst
of Spielberg's films since 1941

Mozart. Eleven nominations; no
supposed father who has sired
two children on her. She
grows up into actress Whoopi
Goldberg (whose thin neck,
wondering eyes and prognathous features startlingly
resemble ET). She is pressed
into marriage with a bullying,
ne'er-do-well farmer called 'Mr'
(Danny Glover). She falls in



Though Spoleto's Festival of Platée, seen here in a new production in the Teato Nuovo. In the series of the series

recent graduates of the American conservatories, the orchestra is an ever-renewed testimony to the high quality of musical training in the United States. Also made up of students, and hence of different

German beergardens are in film without subtitles bathed bloom, the Independent Films in a Liverpool or Northumberbloom, the independent Films in a Liverpool of Northumbersection has become its institutional backbone — for some
faithful followers even a cult
manifestation. Last year, the
American Independents were
given a warm welcome. This
year, Channel Four received a
selected art houses, where
year, Channel Four received a
selected art houses, where
the Four From Four salute: the Four From Four kinds can be programmed as series included Chris Ber- pure unadulterated statements nard's Letter to Brezhnev, Peter Greenaway's A Zed and Two Noughts, Ken McMullen's sign days in advance for A Zed Zena, and Amber Films-Murray and Two Noughts, and a packed Martin's Seacoal Further, in the festival's only competitive section, Perspectives of New European Cinema, Sacoal won

the European Film Prize.
The Independents — British,
American, Canadian, Australian or from New Zealand — are currently riding a wave of

Two Worlds is approaching its thirtieth year, two important

elements in it remain peren-

nially young: the Festival Orchestra and the Westminster

Choir. Recruited anew each

year from last-year students or recent graduates of the American conservatories, the

singers every year, the West-minister Choir repeats its annual miracle of agile musi-cality, amazing sensitivity of expression, and plain high spirits

Choir and orchestra both

made an immense contribution to the success of Rameau's

Ever since the Filmfest public acceptance and broad Munchen was founded in 1983, critical acclaim. Somehow it during the summer season when doesn't seem to matter that a on a culture.

A prize for Seacoal, a sold-out festival reception for Channel Four representatives — but, after all, the Munich film festival and Channel Four were founded about the same time four seasons ago, the year that marked the rebirth of au authentic British cinema.

dramatic as well as a musical presence. They were also sup-

standing of the stylistic require-ments. He brought out all the opalescent subtlety of the score, allowed singers and players to phrase naturally, and underlined the virtues of the

solo instruments, without ever

Sanjust was also the designer.

Here too, a sense of style

governed the proceedings. The

bashing points home.



Whoopi Goldberg as Celie in The Color Purple

a woman and the joy and releaseof sex. (This is explicit in the book but veiled in the movie). And she finds solace and solidarity in a widening circle of friends and relatives, all black and mostly women.

Spielberg wrings the novel for all its drops of sentiment, optimism and soap-opera enthralment; then he puts the rest of it to one side. What he loses, along with the unprotected message mongering. regretted message-mongering. regretted message-mongering, is the funny, abrasive sexual directness which is the book's greatest strength. What he gains is a through-felt naivety far truer to the story's beroine than the games with mock-illiterate style that Walker

plays.
This Deep South is alive with magical colours. (The book and movie's title comes from a remark of Shug's to Celie: "It pisses God off if you walk by the colour purple in a field somewhere and don't notice it") And Spielberg fills the screen with bigger-than-life screen with bigger-than-life old tin letter-box on a gnarled characters: from Oprah Winfrey as Celie's buxom, mooneyed friend Sophie to Adolph caesar's rasping pocket patriarch of a father-in-law. Only thropomorphic as the Scareriarch of a father-in-law. Only Margaret Avery's small-scale And in a film based on an epishug disappoints—the role that might have gone, memorably, more richly apt a leitmotif?

RONALD HOLLOWAY reaching for a gallon of kero- modest talent seemed to have of life in the nuclear age.

Rameau's Platée/Spoleto Festival William Weaver

> costumes, for the most part, were simple, in keeping with the predominantly pastoral tone

of the work. For gods and

goddesses, Sanjust gave his familiar elegance a freer rein, and Jupiter's disguises—as ass and owl—inspired his wit and

love with Mr's mistress, Shug sene to stoke the flame. There Avery (Margaret Avery), who follows the single shot of an teaches her self-confidence as a woman and the joy and ing), showing that Celie has vamoosed from the room in no

The movie's second half advances into fatuity exactly where the novel does; in the crude didactic device of Celie's crude didactic device of Celie's sister writing home about her rediscovery of her roots, pride and racial identity in Africa. Spielberg's cross - cuttings between Georgia and Africa become ponderously silly and "symbolic" (Celie's shaving of Mr is intercut with a tribal face-incision ceremony), and sitting in front of the film at this point is like watching a this point is like watching a small-town Southern pageant which has suddenly been hijacked by High Art.

but even here Whoopi Gold-berg's wonderful spooked pas-sivity—wise, slow-witted and big-eyed as a turtle—provides a feeling, human centre. And Spielberg again demonstrates his eye for making the every-day seem miraculous. What other film-maker could turn the old tin letter-box on a gnarled

almost nothing in recent 1vcondemned years. But his lazy
swagger and wry cowpoke grin
expand with the big streen and
the challenge of playing (at
last) a man his own age: going

Director Martin Ritt and screenwriters Harriet Frank and Irving Ravetch bave got to-gether again—this group gave you Hud, Hombre, Conrack and Norma Rae—to hurl Miss Field out of the decree-nisi courts into the dawn of a new romance. The romance, as she sets up home and horse-stable on the edge of a small town and is wooed by a small town and is wooed by Garner, is complicated by the resentments of her jealous 12-year-old son (Cory Haim) and the return of her feckless exspouse (Brian Kerwin). And by William Fraker's cinematography, which was surely processed during an H-bomb biast: all bleached, grainy, fuzzed-out colours and hideous to behold.

But who could resist Miss But who could resist Miss Field, her apple cheeks already turning into apple jowls (she will be America's prettiest Grandma)? And who could resist Garty, whose grizzled, autumnal playing has all the insolence of a veteran footballer slowing the game to his own pace while younger and tooper players sourcy around

On the other hand, who could not resist Enemy Mine? Den-nis Quaid is the cosmonaut crashed on a distant planet who befriends reptilian allen Lou Gossett. "Argh, gargh, gargle," gargle," says Gossett, or words to that effect. Quaid teaches him English, They are menaced by moteon chowers and her by meteor showers and by creatures human, nonbuman and unclassifiable. Then Gosand uncrassitative. Then cos-sett gets pregnant (he is an androgyne). And thereby hangs the increasingly demented tale of interstellar entente, kidnappings, offworld mining colonies, things that go slurp in the night and cut-rate Special FX. Wolfgang Petersen directs, with several animated creatures seemingly left over from his Never Ending Story.

See Dennis O'Rourke's Half-Life instead. Worse terrors here, in an Australian-made documentary about America's "Bravo" test bomb in the Marshall Islands in 1953. Were the unevacuated natives who were caught in the fall-out the vicmight have gone, memorably, more richly apt a leithfold?

to Tina Turner, who turned it down.

Murphy's Romance also drew, wind? Or did America delibers own superto comic moments; James Garner was nominated like the scene in which Celie but unknoured as Best Actor sits nervously watching her for his ageing Arizona pharwith human guinea-pigs? You husband's egg-frying efforts in macist falling in love with the kitchen, a chaos of culinary divorced stable-owner Sally mishap which climaxes in his reaching for a gallon of kern modest talent seemed to have of life in the nuclear age.

The Art of Success/The Other Place

Michael Coveney

Upon-Avon, is an imaginative debunking job similar in some ways to Edward Bond's Bingo. Like Bond's Shakespeare, Dear's Hogarth is an artist who likes to eat and believes in accommodating compromise in order to do so. He is a target of first suspicion and second, in Dear's book, derision.

There is no point in quibbling with Dear on his view of Hogarth, which is of a man indulging his sexual fantasies in pictures of whores and murderesses, while maintaining a successful marriage to the daughter of his first patron, the Sergeant Painter, Sir James Thornhill, What is odd is that, while the play briefly acknow-ledges Hogarth's artistic and moral radicalism, his hatred of all bureaucracy in art, it fails to reconcile that side of Hogarth with these allegations of weak-kneed artistic and private decisions. We have here a which seems reasonable enough. Slithering opportunist counting his cash and protecting his interests with the Copywright Act, while advising Henry Fielding to roll over and submit to down-trodden, we have a displace of the convergence of the conver Walpole's Licensing Act of

This advent of stage censor-

Joe Melia, as a stealthily sinister Walpole, springs out of the rumpus in a mustard frock-coat. To elaborate on Mr Dear's method. Louisa (Dinah Stabb) is a loose evocation of the ruined Moll Hackabout in The Harlot's Progress, who indulges Hogarth's coprophiliac and bestial tendencies. The murderess, Sarah Sprackling (Penny Downie), is based on Sarah Malcolm, whom Hogarth visited Malcolm, whom Hogarth visited in Newgate and drew two days before she hanged; Mr Dear writes a marvellous duet for artist and model before she knifes her jailer and goes on a spree to reclaim the portrait which, she feels, misrepresents her. And his wife. Jane

(Niamh Cusack), gardles about the Line of Beauty—the play's only overt reference to Hogarth's aesthetic theory, arguably one of the most interesting facets of his output, but recoils from rough sex in public which seems reasonable enough.

her. And his wife, Jane (Niamh Cusack), garbles about

down-trodden, we have a drunken, riotous, chauvinist misogynist. The girls gang up on him. This all sounds a little This advent of stage censorship is the dramatic crux, with
a Fielding lampoon invading the
theatre in a vigorous and
lumbling climatic sequence. In
Adrian Noble's spirited production of a refreshingly raw and
scabrous text, this scene is a
splendid hotpot of masque and
satire, as Fielding himself
(Philip Franks) spewingly insults Walpole from the gallery,
Hogarth buries his face in the
rump of his favourite whore,
Hogarth and Louisa.

Michael Kitchen is not a "five-Nick Dear's play about William Hogarth for the RSC in deress runs amok with a knife.

The Other Place, StratfordJoe Melia, as a stealthily sinister coarse grained ebullience as Hogarth, especially in the hilarious opening scene at the Beef. steak Club. Dead drunk, he fights off the slobbering account fights off the slobbering account of a Grand Tour and the value of art delivered by Simon Russell Beale's overweight and very funny viscount. The Club's AGM is held on the premises of Mother Needham, whom Dilys Laye presents as the Cynthia Payne of Covent Garden, a bubbling bawd whose downfall in the stocks leaves her drained but unrepentant. her drained but unrepentant.

imaginative use is made of the imaginative use is made of the Needham character. The same goes for Susan Porrett's languid Queen Caroline, ordering the subservient Walpole to remore his long johns and look lively. Mr Melia droops and look dejected, then creeps away to close down Fielding's theatre. In a strong last scene, the writer and the whore form new plans as a royal wedding progresses down the Thames. progresses down the Thames.

Events are compacted, re-Events are compacted, regardless of chronology, and the evening bristles with a healthy air of anachronism. Hogarin and his chums depart on the 1732 five-day peregrination as the play closes, the artist glimpsing the future of Polaroid cameras in a turrid air throng which features Jane nightmare, which features Jane in babydoll underwear, mounted by all and sundry (and Walpole) from every corryty-able direction. The Other Place is brilliantly exploited in Ultz's platform design (Ultz has also supplied the fine costumes and wigs).

Adriano in Siria/Chichester

Stanley Sadie

the first setting of a libretto by the Caesarean poet Pietro Metastasio which was to be used dozens of times over by composers of the mid-18th cen-

tury.

It is easy to mock at Metastasio's texts from the hind-sight of a changing aesthetic.

But hearing one well and clearly declaimed—in English, so without the benefit of his famously graceful emphanious. so without the benefit of his famously graceful, euphonious Italian—is salutary, a reminder of his human insights, his understanding of passion and prittle and honour, and his begullingly elegant, resolution of the moral dilemma of his protagonist, here the Roman emperor Hadrian.

Hadrian's confident Aquilius loves Sabina, who loves the Wigmore Hall was unusually Two of the songs—"Weltlauf" Hadrian, who (temporarily) striking: the baritone John and "Lumpentum"—ape Kurt Shirley-Quirk, typically clouded Weill's irony. A third uses Pharnaspes, who (mirabile and soft-grained in tone, was sprechgesang and yet another, dictu) loves Emirena. So, matched with the bright in relating an amusing story of before it all comes right, Calcisve obee of Sara Walkins, a Venus and Cupid, seems to partnership at very different to the songs—"Weltlauf" and "Lumpentum" and "Lumpentum" and use of the songs—"Weltlauf" and "Lumpentum" and "Lumpentum" and "Lumpentum" and "Lumpentum" and use of the songs—"Weltlauf" and "Lumpentum" and "Lumpe t, belongs to La Folie, a part sung here by Beverly Hoch (nomen est omen), a high soprano of icy accuracy, on the order of Mado Robin or the young Sills. She was much applauded, and rightly. The other singers ranged from acceptable to good. None disgraced the music, though in the end it was the chorus that lingered in the mind and heart.

The problem with the bright, incisive oboe of Sara Watkins, as though the cisive oboe of Sara Watkins, as though t aria openings, the preponder-ance of minor keys, the fiery passage-work, the ventures into counterpoint and the original rhythms show him a sharp, inventive dramatist as well as an eloquent melodist with a capather of them. to key music strongly to

Wednesday's performance at Bishop Otter College (there are others tonight and tomorrow) was patchy. Opera 70's violins

Opera 70 have been giving rare operas, often baroque court opera, and the absurd ones, in Chichester for several years. Their latest is Antonio Caldara's Adriono in Siria, composed in 1782 for the nameday of the Habsburg emperor and the first setting of a libretto by the Caesarean poet Pietro Metastasio which was to be used dozens of times over by ally. of outstanding onality: if and Hilary Bishon, whose firm.

ally, of outstanding quality: it and Hilary Bishop, whose firm, moved decisively and was always alive to the sense.

The producer, Michael Waite, Sabina,

John Shirley-Quirk/Wigmore Hall Richard Fairman

This recital was a marriage, deals bitingly with the gap of opposites. It has become between rich and poor. Pithy quite a fashion of late to pair and sarcastic well beyond his a singer and a solo instrumentalist in concert, especially treatment from a composer and, soprano and flute. But the combination on Wednesday night at the Wigmore Hall was unusually the wood of the songs—"Weltlauf"

duce some real novelty. Shirley-quirk and Watkins had even (quite successfully) arranged songs by Chaikovsky and Rakh-maninov to fit their needs. In David Blake's Five Heine

have informed Ravel's Histoires naturelles. But these little vigneties of birds and inserts are difficult songs to perform and Shirley-Quirk's feeling for their latent poetry and seriousness kept them far from becoming cute. He has the himself. Originally conceived ability to seize upon the essential mood of any song he chamber ensemble, these five, performs and that is a valuable relatively brief songs take poems uncharacteristic of the German poet Heine in which he

Arts Week

Continued from Page 12

painter, fresh from his studies in Vienna in the mid-1990s, was an art-ist of vision and true genius. Ends

NETHERLANDS

Utrecht, Catharijneconvent. The leg-ends and facts surrounding the life and voyages of St Brendan, the 6th-century 'Irish Odysseus', are ex-amined with the aid of fancifully ilhuminated manuscripts and early printed books. Ends August 10.

misterdam, Royal Palace: This year's summer exhibition is devoted to the work of Jacob de Wit, an 18th-century Dutch artist likened in his day to Titian, specifically to his vast paint-ing of Moses selecting the Seventy Elders - which lines one wall of the Council Chamber - study drawings of which are now on display below the canvas. De Wit excelled in his trompe l'ail grisailles imitating stucco and sculpture, to be seen in this Chamber and the adjoin-ing gallery. Ends Aug 31. Den Bosch, Noordbrabants Museum:

Regional costume and jewellery from the Catholic south of Holland worn during 1500-1940. Ends August 31.

Maseum of the City of New York: Arbit Blatas's paintings, drawings and sculptures of Three Penny Opera covering 12 scenes and 11 charac-ters, were inspired by the historic Theatre de Lys production in 1954 starring Lotte Lenya. Ends Oct 15.

Picasso Sketchbooks (Pace Gallery): Opening a 14-city international tour, the 200 drawings, water colours and notes from 45 of Picasso's 175 ca-hiers give insights into the artist's methods and preliminary work on

such lamous paintings as Les Dem-oiselles d'Avignon, Rape of the Sa-bines and Mother and Child. Ends Aug 1. 57th E of Madison. Aug 1. 57th E of Madison.

Whitney Museum: The largest exhibit ever mounted of Shaker design shows off the strong, simple lines in the furniture, tools, textiles and graphic design of one of the great American Puritan cultures that remained separatist and intact for more than a century. Ends August 31.

WASHINGTON

ational Museum of American Art: 68 Pueblo Indian watercolours from between the world wars recreate the ritual animal dances among other disappearing tribal customs. Ends

August 17. National Gallery: The first major retrospective of the works of 19th-cen-tury American landscapist George ss traces the artist from th early influence of French Barbizon landscapes through the develop-ment of his own soft naturalism with dramatic skies dominating rolling terrains. Ends Sept 7.

CHICAGO

Art Institute: Famous as a fashion photographer, Richard Avedon un-dertook a five-year project to cap-ture the American West in the tradition of nineteenth-century photogra-phers such as William Henry Jackson. The results are "a fictional West", Avedon claims, with outsized portraits of Americans ranging from a rattlesnake roundup to county

Art Institute: Treasures of Japanese Buddhist Art, the only showing in the Western world of works from the great Todaili Temple in Nara, the great Todaili Tempic in Naru,
Japan, includes 151 statues, handscrolls and intricately designed lacquered objects from the largest
wooden temple in the world. Ends

La Cage aux Folles (Palace): With
some tuneful Jerry Herman songs,
Harvey Fierstein's edaptation of the

fantasy. The sets, too, were reduced to minimal, telling indications: clouds and wisps of greenery. Though Platée is categorised

Theatre

Though Plate is categorised as a comédie-ballet, it must be taken seriously. Bruce Brewer, in the title role of the aged and silly nymph, mugged and swished, but he sang with admirable assurance; thus the audience could laugh and, at the came time light with large. the same time, listen with keen ears to the elaborate, seductive music. One of the most com-plex and arresting scenes

TOKYO

Kabuki (Kabuki-za): a dance piece, Yakko Dojojo, based on story of a dancing girl performing a temple ceremony, with popular male comic actor Ennouske playing the girl. He also stars in Date no Ju Yaku with stylised fights, acrobatics and quick changes. Kabuki-za, Higashi Ginza (541 3131).

Fool for Love (in Japanese), the final of the Sam Shepard trilogy present-ed by Parco company, directed by a visitor, Paul Joyce. Parco Space Part 3, Shibuya (477 5860/5858).

Midsummer Night's Dream by Lind-say Kemp and Company. Kani Ho-ken Hall, U-Port, Gotanda (Mon).

NEW YORK

Cats (Winter Garden); Still a sellout, Trevor Numa's production of T.S. El-liot's children's poetry set to trendy music is visually startling and

choreographically feline, but classic only in the sense of a rather staid

and overblown idea of theatricality. (239 6262).

42nd Street (Majestic): An immodest celebration of the beyday of Broad-way in the '30s incorporates gems

way in the 30s interportures getter from the original film like Shuffle Off To Buffalo with the appropri-ately brash and leggy hoofing by a large chorus line. (977 9920).

Chorus Line (Shubert): The longest

running musical ever in America

has not only supported Joseph Papp's Public Theater for eight

years but also updated the musical genre with its backstage story in

which the songs are used as audi-tions rather than emotions.

The problem with mounting

a Rameau opera these days is often the ballet. Modern audiences are not always ready to accept the dance as an almo requal co-partner with song; and choreographers are at a loss when faced with this 18th century hybrid. Víttorio Biagi, using only a handful of skilled dancers, created a series of inventive and attractive dances.

French film manages, barely, to cap-ture the feel of the sweet and hilar-ious original between high-kicking

and gaudy chorus numbers.
(757.2626).

I'm Not Rappaport (Booth): The Tony's best play of 1986 won on the strength of its word-of-mouth popularity for the two oldsters on Central Park banches who bickers unverse.

Park benches who bicker uproar-iously about life past, present and future, with a funny plot to match.

(239 6200). Big River (O'Neill): Roger Miller's mu-

sic rescues this sedentary version of Huck Finn's adventures down the Mississippl, which walked off with many 1985 Tony awards almost by default. (248 0220). The Mystery of Edwin Drood (Imperi-

al): Rupert Holme's Tony-winning resurrection of the unfinished Dick-

ens classic is an ingenious musical with music-hall tunes where the au-

dience picks an ending, (239 6200).

Pump Boys and Dineties (Apollo Cen-ter): Facetious look at country music

and down-home country life with a good beat and some memorable

songs, especially one played on kit-chen utensils has proved to be a du-rable Chicago hit. (935 6100).

NETHERLANDS

Amsterdam, Stadsschouwburg: Eng-lish Speaking Theatre of Amster-dam repeats its successful run of Or-

ton's Entertaining Mr Sloane, di-

rected by Grant Coburn. (24 23 11).

Lunsterdam, Stadsschouwburg: De Geliefden, puppet theatre by Jozef van de Berg (Fri, Sat). (24 23 11).

Spoleto (festival), Teatro Caio Melisso: Eugene Ionesco's The Lesson, di-rected by Egisto Marencoi (in Ital-

Sydney Dance Company has been appearing. Among its programmes is the full-length work by Graeme Murphy, Some Rooms, which showed off the company's virtues—a husky athletic vivacity in the men, the nervous intensity of principal dancer Janet Vernon, good ensemble throughout—but also an occasional gawkiness. The final scene—to Zarber's Adagio for Strings—had a welcome Oriental serenity. The taped music was scratchy and loud.

rected by Henning Brockhaus (with Leslie Caron). (Fri, Sat). (4 02 65).

The Normal Heart (Albery): Tom "Amadeus" Hulce is playing the crusading hero of Larry Kramer's hysterical melodrama for a three-month season, as public concern over the Aids epidemic increases. (836 3878

Sala Fran: the Théâire de l'Europe in Jeux de Femme, by Krzysztof Za-nussi and Edward Zebrowski, di-

redit cards (CC) 378 5555).

a Cago Anx Folles (Palladium):
George Hearn a welcome star alongside Denis Quilley in the transvestite show for all the family. Weak second act, less than vintage Jerry Berman score. The show has not travelled well from Broadway. (437 7373 (CC) 734 8961).

Blithe Spirit (Vaudeville): Susan Hampshire and Joanna van Gysegh-em have now joined Simon Cadell in em have now joined Simon Cadell in this enjoyable Coward revival. (836 987).

Trollus and Cressida (Barbican): Provocative RSC production set vaguely in the Crimean War with Juliet Stevenson refusing to play Cressida false but riveting just the same. The bumptious 1950s Merry Wives continues in repertoire. (628 9795).

Dalliance (Lytichton): Tom Stoppard's new version of Schmitzler's Liebelei is a crushing disappointment only

new version of Schnitzler's Liebelei is a crushing disappointment only partly redeemed by Brenda Blethyn as the ruined working girl. A theatricalised travesty of the work adds to the confusion of middle aged actors playing boylsh dragoons in Peter Wood's numbingly respectable production. (928 2253).

Lend Me A Tenor (Globe): Fresh and inventive operatic farce by new American author Ken Ludwig set in Cleveland, Ohio in 1934. Dennis Lawson and Jan Francis lead an en-

Lawson and Jan Francis lead an energetic company in mistaken identity romp, while Verdi's Otello carries on regardless. (437 1592)

When We Are Married (Whitehall):
Matchless comic playing from an all star cast in Priestley's comic warhouse about silver wedding anniversaries undermined by an inconvenient revelation. Bill Fraser is a
drunken Falstaffian photographer
and the couples are led by Timothy
West and Frunella Scales. The 1930
theatre has been beautifully renovated. (930 7765).

Noises Off (Savoy): The funniest play for years in London, now with an improved third act. Michael Blake-more's brilliant direction of backstage shenanigans on tour with a third-rate farce is a key factor. (838 8888).

Starlight Express (Apollo Victoria):
Andrew Lloyd Webber's rollerskating folly has 10 minutes of Spielberg movie magic, an exciting first half and a dwindling reliance on indicatoriants raching regular. indiscriminate rushing around. Disneyland, Star Wars and Cats are all influences. Pastiche score nods towards rock, country and hot gospel. No child is known to have asked for his money back, (834 5184). 42nd Street (Drury Lane): No British

equivalent has been found for New York's Jerry Orbach, but David Mer-rick's tap-dancing extravaganza has been rapturously received. (636 8108).

Lennon (Astoria): A not too critical celebration of the life and music of John Lennon that is enjoyable espe-cially for the musical resourcefulness of the cast and Mark McGann's Lennon look-and-sound-alike Are You Lonesome Tonight? (Phoe-

nix): More musical bagiography with Alan Bleasdale's Elvis Presley show using flashback and exceller live recreations of the rock and roll hits to explain how Martin Shaw's magnificently wrecked and flabby King in crushed velvet jumpsuit has reached this pretty pass. Exploitative, but not strictly for tourists. (836 2394).

Saleroom/Antony Thorncroft The one that got away

The notebook is the work of his old age and consists of 100 rough sketches of the Channel captured in 1845. It was given to his landlady and thus escaped the fate of his 300 odd other sketchbooks, which ended up in the Turner Boouest at the Tate.

Two other great curiosities were unsold—a plaster cast of the death mask of John Keats, made in the late 1880s from the original, was bought in at £18,000, and a rather amateurish watercolour by the young Oscar Wilde but the the Turner Bequest at the Tate.
All told the watercolour sale
brought in a record £991,298
with 12 per cent bought in.

The chief casualty was another notebook, that of John Sell Cotman, the leading artist of the Norwich School. Sixteen rough watercolours of Yorkshire were unsold at £20,000. probably because some experts had doubts about their authenticity. Other high prices were the £61,600 a record for a Constable watercolour, paid by Sam Fogg, the book dealer. It is a view of "Stanway Mill," one of the artists' favourite prospects. A

The only Turner notebook of preparatory sketches likely to appear on the market sold for \$528,000 at Sothebys yesterday, well above the saleroom's estimate of £150,000. It was bought by two London dealers sharing the financial burden—David Kerr and William Thomson.

The only Turner notebook of preparatory drawings altogether with a complete set of the preparatory drawings by E. H. Shepard, a most choice lot for collectors of juvenalia, sold for £132,000, at the bottom of the estimate, to an anonymous buyer.

young Oscar Wilde, but the only one known to have survived, raised a disappointing bid of £6,500.

A Wilde letter, one of his longest and finest, written to Carlos Blacker soon after his release from Reading Jail, was on target at £22,000 while a photograph of Wilde, probably taken by Bosie in Naples in 1897, was bought by the National Portrait Gallery for \$440. His early poem The Harlot's house were to the dealer lot's house went to the dealer John Hartnoll for £17,800.

"Stanway Mill," one of the artists' favourite prospects. A Bonington, of barges on a river, trebled its estimate at £26,400 while a Peter de Wint of the river Dingle in Shropshire made £23,100, within forecast.

Across Bond Street Sotheby's was creating even more excitement with an auction of English literary history. A. A. Milne's A recently discovered letter describing the burning down of the Globe Theatre in 1613 during a performance of Shake-speare's King Henry VIII went to the New York dealer John Fleming for £15,400. The Fine-Arts Society paid £352 for part of the hangings from the bed where Byron was supposed to have spent his honeymoon. A recently discovered letter

Jelin IIA

THE CAR



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Friday July 11 1986

Europe's role in UK law

This influence has often roved beneficial, opening channels of information clogged by the establishment's inclination to secrecy, providing addition to secrecy, providing additional control of the tion to secreey, providing additional protection to inmates of prisons and shielding schoolboys against caning. Above all, it has forced the pace of progress towards the equal treatment of men and women.

The influence of European law is, however, less clearly good when it comes to the solugood when it comes to the solu-tion of economic problems specific to the UK. Equality of the sexes, access to information and treatment of prisoners are human issues, common to the peoples of Europe. Freehold of real estate and nationalisation or re-privatisation of industrial enterprises are specific UK problems for which no help can be expected from foreign

Broad issues

However, nature abhors any void, and European courts tend to fill any space left vacant by national legislation. Compliance with the Strasbourg Court of Human Rights remains volun-tary even if the Government has so far complied with every one of its decisions. But the Convention Human Rights also affects the UK in the guise of mandatory decisions by the Community Court of Justice in Luxembourg. This court is bound to respect principles of law common to all member states, and consequently also the convention.

THE REJECTION by the European Court of Human Rights
of the claim by UK shipbuilders
and aircraft makers for higher

English and Scottish courts. and aircraft makers for higher compensation for their nationalised enterprises is a forceful reminder of the increasing influence of European courts on the law, and through it on economic policies in the UK.

This influence has often the increasing and social background, would not apply such a bill of rights faster and more efficiently, when it comes to broad issues of economic and conjugate the influence of the influence in the influence in the influence has often the influence in the influenc broad issues of economic and social policy. In their latest decision — as well as in the recent ruling on the claim by the Duke of Westminster — the Strasbourg judges have clearly stated that they do not intend to interfere with the social and economic policies of governments. The convention was designed to protect the dispossessed victims of tyrannical regimes and not to settle comregimes and not to settle com-peting economic claims by groups, individuals and enterprises within a democratic country.

Greater stability

Thus the long-discussed question whether the UK should adopt the convention as its own bill of rights appears to be the wrong question. For most prac-tical purposes the convention is already effective in the UK. The real question is: would it not be better to entrust its opera-tion to UK courts? Or, does parliament fear UK courts more than the European courts in Strasbourg and Luxembourg?

The integration of a bill of rights into the UK system would give a new dimension to judicial review of administrative decisions. This new, fast-growing branch of judicial activity is largely improvised. It would de-serve a solid foundation on which courts could develop a system of administrative law. If adopted as a constitutional

law which can be changed only by a qualified majority of the parliament, the bill of rights would give a greater stability Though the British parliation ordinary legislation which ment did not make the contact to keep within its constivention a part of UK law, it is tutional framework.

Monopoly power in brewing

tor-general of the Office of Fair complaints. The Campaign for Trading, seems likely to recom-mend shortly that Britain's curlous system of "tied" public houses be investigated by the Monopolies and Mergers Commission. This would be a welcome decision because there is abundant evidence of anticompetitive practices and beer the abuses of market power in the and the cupply and distribution of beer. and pubs.

The OFT has received many complaints from the public and small brewing companies trying to enter the market. It is concerned about high prices and

Under the tied-house system. pub tenants are obliged to buy beer and other products only from their brewer landlord.
About 60 per cent of UK pubs are tied houses, including the majority of high-volume, high-profit outlets.

Established precedent

The system gives the big brewing companies a degree of control over the retail distribution of their products which would be regarded as unaccept-able in any other consumer products industry. It would seem extraordinary, for example, if one entered a food shop and discovered that the manager was permitted to sell the product of only one manu-

If Sir Gordon does decide that a full monopolies investigation is warranted, he will merely be following a well-established precedent. There has been almost continual concern about anti-competitive practices in the industry since

In 1969 a previous Monopolies and Mergers Commission probe declared the tied-house system to be against the public in-terest. An investigation by the Prices Commission in the late 1970s was equally critical. In 1988, the EEC competition authorities found several aspects of the exclusive pur-(thasing agreements unaccept-

Alleged abuses

The problem is that, inspite of a surfeit of investigations, the structure of the industry has remained broadly un-changed. The proportion of tied houses has declined slightly but the big brewers have main-tained their grip at the retail

In some areas this has led

SIR GORDON BORRIE, direct o prolonged and vociferous Real Ale, for example, recently presented the OFT with a well-argued report documenting alleged abuses of monopoly by Grand Metropolitan (suppliers of Wathers been in Morfolk of Watneys beer) in Norfolk. The campaign complains about high prices for poor quality beer, the loss of local brands, and the closure of breweries the closure of breweries

Arguments for pronounced vertical integration in the beer industry are hard to sustain. industry are hard to sustain. Why should brewers be able to impose exclusive contracts on publicans? It is hard to argue that enjoyment of one brand of beer is impaired by the presence of competing brands within the same pub. Nor is been approximately and the same pub. beer a product like a motor car where the quality of after-sale service is important enough to justify exclusive dealerships. After all, many contend that customers "rent" rather than buy beer, so transitory is the

Even small regional brewers, however, would not wish to see the sudden sweeping aside of the tied-house structure. They fear that in a free-for-all the hig brewers might become still more dominant. One solution might be to weaken the tie: to insist that all tenants be free to offer at least one bulk beer of their choice from outside their landlord's group. of their choice from outside their landlord's group.

Blatant attempt

Small producers of real ale might expect to gain dispropor-tionately from such a reform, since unmet demand for this product exists throughout the country. Such a loosening of the tie would be more effective if it were accompanied by another round of "pub swaps" between the main brewers designed to reduce their dominance of local markets.

Other necessary reforms include legislation to prevent brewers permanently taking pubs out of circulation by attaching to the sale of the property a condition that the premises be "de-licensed." This is a blatant attempt to curb entry into the markets by wouldbe competitors.

In the longer run, as the monopolies investigation of 1969 concluded, competition in the industry is likely to flourish only if licensing laws and hours

SOUTH AFRICA'S ECONOMY

Twenty-six years of siege

N THE YEAR 1899 President Paul Kruger of the Boer republic of the Transvaal was prepared to go to war against the might of the British Empire rather than give the vote to the "Uillanders" who had flocked into the Republic to seek their fortune on the Fold. seek their fortune on the goldbearing reef.

At the crucial conference in Bloemfontein in the first week of June he bitterly told Sir Alfred Milner, the Governor-General: "It is not the vote you want but our country." It took three years of war to break the Boer-years which left a legacy of bitterness and

One week and 87 years after the Bloemfontein conference, President P. W. Botha, whose mother was among those herded into concentration camps by the British, addressed the nation on television to announce another state of emergency and declared
"We do not desire a siege economy and we do not seek it. But if we are forced to go it alone, then so be it. South alone, then so be it. South Africa will not crawl before anyone to prevent it."

In the intervening years. South Africa and the world have changed immeasurably. But the determination of the Afrikaners to hold on to what they have has not Since 1948 the whole of South Africa, not

the key and most of the minor a siege economy would not be positions in the government, the civil service, the state-owned industries, the army and the police. Afrikaners have also risen through the professions and set up their own harbs

of decades of heavy spending on basic infrastructure which has given it a First World endowment of railways, roads and harbours. Most of its trade is sea-borne and would require an immense naval blockade an immense naval blockade physically to impede. It also has the power, as Ambassador Denis Worrall reminded a select committee of the House of Commons last week to cripple the economies of its neighbours. Several — notably Lesotho, Swaziland and Mozambique — slan depend on South African also depend on South African electricity, and on the income

paid by its neighbours also make an important contribution

Buried in

SOUTH AFRICA'S TRADE FLOWS 29.3 IMPORTS Rand 21.7bn TOTAL EXPORTS

transit income would make a beggar-thy-neighbour policy costly for South Africa as well. The mining industry, not to speak of the mining unions, were also concerned about the threat to repatriate foreign workers and recruit unemployed South African blacks to do their table.

the whole of South Africa, not workers and recruit thempoyed just the old Boer republics, has South African blacks to do their been governed by the Afrikaner-dominated National In any event, the transformation of what is now essentially been used largely to increase the power, wealth and status of Afrikaners who now hold all 55 and 60 per cent of GDP—into siege economy has been clearly visible since the Sharpeville massacre of 1960, Over this risen through the professions and set up their own banks, massacre of 1960. Over this finance, insurance and mining period several fundamental incompanies. They have more to vestment decisions were taken lose than any other group in to increase South Africa—and nowhere immunity to external shocks.

South Africa—and nowhere immunity to external shocks.

Billions of rand have been invested over the past two decades to build three of the food, is the world's largest producer of gold, diamonds, plattinum and a host of strategic minerals and is the beneficiary. Acmsor, and the Atlants military decades of heavy spending the strategic arms and dividing decades on the strategic arms and dividing decades of heavy spending the strategic arms and dividing decades on the strategic arms and dividing decades. tary and civilian diesel engine plant. South Africa has also de-

veloped its own nuclear fuel enrichment facilities and spent an estimated R22bn on building up a strategic oil stockpile, stored in worked out coal and gold mines. Indigenous coal also provides the bulk of electric energy generation from giant plants using the latest (imported) technology and is the freedstock for a suphisticated chemicals and explosives indus-To an unquantifiable extent

electricity, and on the income from over 2m foreign emigrant workers on South African mines, farms and industries.

In addition, South Africa's trade with black Africa—currently worth more than R2bn annually—is one of the fastest growing areas of its external trade. Revenue from transit traffic and harbour dues paid by its neighbours also well as strategic assets. represent valuable economic as well as strategic assets. Where the doubts come in

to the income of the South whether a siege economy could African Transport Service generate the kind of growth (SATS). Loss of exports and which would lead to higher

According to most economists, the fastest sustained growth that could be managed through domestic saving and investment alone is around 3 per cent, barely enough to keep pace with the rising population. To secure the optimum rate of around 5.5 per cent, foreign investment is

South Africa has gone a long way towards mastering the economics of the laager. Anthony Robinson

annually while fixed investment has dropped every year for the past five. Against this track record even achieving a steady 3 per cent growth rate in the s per cent growth rate in the But the expected emphasis on greenhouse atmosphere of a siege economy would require a struction, possibly to be marked improvement on past performance when neither sanctions nor disinvestment were in effect.

But the expected emphasis on lowing and other types of considerable in the partially financed by regular, performance when neither sanctions obliging insurance continues to shift their research force to the person funds to shift their research force to the person funds to shift their research force to the person funds to shift their research force to the person funds to shift their

It is highly unlikely, given the strategic strengths of the South African economy and the political will of the Afrikaner ruling class, that sanctions and disinvestment could swiftly "bring Pretoria to its sense: But gearing up for a "seige economy" will require consider-able structural changes to the economy, the development of unconventional trading practices -including barter and counter-trade-and hefty commissions for middle men and sanctions

This would be accompanied by

investment, employment and rising emigration of skilled income.

personnel and the exodus of more and more foreign com-panies, all of which is already happening. More than 50 US companies alone are understood to have left South Africa. over the past year. Many others, including the two largest UK banks, Barclays and Standard Chartered, have reduced their

movement

85

reports from

Johannesburg.

But the fact is that over the decade since the 1976 Soweto rights under capital increases. rising, average GDP growth has been only around 1.8 per cent would benefit most from a siege Predicting which sectors would benefit most from a siege economy is at present an in-exact art, given the continuing uncertainty as to the precise nature of any future sanctions. But the expected emphasis on investment flows towards low

1984

to benefit the construction sector which at present is deeply depressed. Altech, South Africa's major domestic electronics group, is also well placed to benefit from import substitution and selected companies in the engineering sector could gain from efforts to substitute local for imported machinery. Increasingly the debate men headed by Dr Fred du within South Africa is not Plessis, chairman of Sanlam, between the siege economy and civil servants, who argue the open economy but over that under present conditions whether the siege economy is South Africa should opt for a

best handled by letting market forces or direct Government dictate the future

It is a debate which up to now has largely taken place within the Afrikaner establishment without much obvious in-put from the English speaking business community or foreign companies whose own investment or disinvestment decisions might hang on the outcome.

from a failure to adjust to adverse external factors such as the decline in the gold price after 1980 and the structural decline in demand for minerals the new high-tech, energy id raw material-efficient

He contrasted this with the painful, but necessary, adjust-ments which had been forced on the economy over the past two years, mainly by allowing the exchange rate to fall. Thanks to this, and the defiationary package of July/August 1984 "the deficit on current account has been transformed into a surplus, real salaries and wages have been adjusted downwards, much foreign debt has been repaid and the country Is fiving well within its means would be a move taken only in He might have added, but did extremis. So far as this year is not, that the low exchange rate, magnified by the effect of the two tier rand as well as depresimports and boosting ets, also has had the effect

of making "currency hostages" out of many individuals and companies who otherwise might have increased the R10.3bn which flowed out of the country

national economic plan and a dirigistic approach to invest-ment. In an oblique reference to this school of thought Dr de Kock emphasised that his arguments "do not mean that free markets are seen as an objective

The strategy which seems to be shaping up is one in which the low rand will continue to the low rand will contain the make South African exports attractive while encouraging import substitution. At the same time the abolition of influx control and acceptance of "orderly urbanisation," coupled with the reduced restrictions on black enterprise. restrictions on black enterprise, the opening up of central business districts to all races, encouragement for small busiencouragement for small business through increased funding for the Small Business Development Corporation and other organisations, will aim to absorb unemployment, mainly through a major black housing programme

One of the main question-marks over this strategy remains the foreign debt. After repayments this stands at around \$22bn. Under the terms of the September 1985 partial debt moratorium and February 1986 meeting with foreign Africa is committed to pay interest on all its outstanding loans, repay as it matures \$10.3bn out of the original \$24bn which remained outside the moratorium plus some 5 per cent of the maturing portion of the bank debt, in total around \$2.3bn in 1986. Running the Last week Dr de Kock, significantly in a speech to the Afrikaanse Sakekammer (the Afrikaanse Chamber of restraints on faster domestic Afrikaner Chamber of restraints on taster domesus growth. The other unplanned restraint is the weakness of adjustments. He pointed out that many of South Africa's problems, including the rapid growth of the country's short-term foreign debt, stemmed to a failure to adjust to restraint on taster domesus growth. The other unplanned restraint is the weakness of business and consumer confidence which contributed to a 1.5 per cent drop in GDP over the first quarter and the dashing of hopes for 3 per cent GDP resemble this way. growth this year.

The final decision has yet to be taken over future debt repayment policy. But Ambassador Worrall's warning to the select committee of the House of Commons last week that South sider its position if sanctions of the kind proposed by the Com-monwealth Eminent Persons Group (EPG) badly affected the country's export earnings was confirmed by Mr Barend du Plessis, the Finance Minister, as "not a threat but a statement of fact."

Given the risks of default
—attachment of export cargoes,
aircraft and other assets abroad
and other complications — it concerned the depressed rand, buoyant international trade, lower oil prices and the low level of domestic demand enaccount surplus of between Rabn to R6bn will be sufficient to honour this year's expected

repayments.
But whether South Africa last year.

The main target of Dr de Rock's speech was the influential body of Afrikaner businesson political demands made more acute by unemployment and lower living standards is a question fraught with uncertainty, even for the tough and determined Afrikaners within

Mississippi mud **Men and Matters**

The US state of Mississippi joins China in the doghouse of the Bromley-based Council of Foreign Bondholders for failing to pay on its outstanding foreign bonds.

Mississippi is in trouble with the bond-watchers for not resolving a default on 5 m of international bonds. The fact that it occurred back in 1841 does not lessen the relentless pressure of our Bromley sleuths.
Michael Gough, the coun-

Michael Gough, the coun-cil's director, yesterday had his first chance to present his case personally to Mississippi. The state's amiable treasurer. Bill Cole, was in London. His mission is to examine funding opportunities in the international capital markets. Instead he ran straight into the debt collectors. Cole says he is not in London Cole says he is not in London under any instructions to negotiate a settlement on the outstanding debt. But he told Gough that he would like information on some of the background. This appears to be a

debt the Americans have forgotten. Cole explains, "Quite frankly we do not have in the treasurer's office any record of the history, Although we do have about \$480,000 worth of the bonds that were presented to the state in a trust agreement at the turn of the century." Other records apparently were lost during the US civil war—an irksome development as it left Cole and his colleagues quite mystified when they first heard of the default

Bondholders some three years ago.
Originally Mississippi issued the bonds to capitalise two local banks—Union Bank and Planters Bank—which invested heavily in the construction of a railroad that went bankrupt. There followed an acrimonious political debate in the state legislature about whether the bonds should have been issued in the first place. They were

from the Council of Foreign

Cole says he can appreciate Europeans approach default field meat market where the

problems. But he confesses he finds difficulty in drumming up interest in the topic back home. interest in the topic back home.

Repsyment of the defaulted bonds does not appear to be near the top of Mississippi's budget priorities. When Cole broke the news about the default to a Mississippi press conference the reception he got was, "Well, you're not serious are you?"

Cole is returning to

Cole is returning to Mississippi to report to the Governor, and the legislature in Jackson, on his meeting with Michael Gough, But he does not michael Gough, But he goes not see a settlement on the cards.

His personal solution to the problem would be for his state to buy back all the bonds, frame them, and sell them as collectors' items. He says disarmingly. "We could make a lot of money that way."

Rabbit punch

There is an ironic twist to the location of the new laboratory that Glaxo has agreed to fund for Sir John Vane, the British scientist who resigned as Wellcome's research director last

The new William Harvey Research Institute will be at Barts, the London teaching hospital where Harvey originally worked out how blood circulates. Vane plans to search for new drugs for the treatment of heart and blood vessel diseases, for which his Nobel prize-winning work at the Royal College of Surgeons equips him well. He will need a stock of laboratory rabbits for his research rabbits for his research. But Vane has also attracted the unwelcome attentions of the animal liberation supporterssome zealots even went as far as to firebomb his home less

than two years ago.

Vane's new laboratory will, however, be hard by the Smith-



"You'll never get the hang of the metric system, Alf— why not retrain as a maths

porters tend to take a jaundiced view of those who are over-protective about animal rights.

Fast footwork

Towards the end of last year Peregrine David Moncreiffe; a Britisher, aged 25, making waves on Wall Street, was telling me how much he was look-ing forward to getting into place in London in time for the Big Bang. He moved from managing the

Shearson Lehman Brothers trading department in New York to mastermind the Shearson Lehman Brothers Inter-national world capital markets business from London. But the bang could not come soon enough for the restless Moncreiffe, it seems. He has now left Shearsons, and joins E. F. Hutton next Monday as

md, and md of the London operation. His speciality will be international capital markets and he will be a member of the group's capital markets operating committee in New York.
Moncreiffe first worked in the
syndicate department of White
Weld and company, in London
in the early 1970s after Eton and Oxford.

Never one to get in a rut he has moved to various jobs in Europe, the US and Asia, some 14 times since then on my

Spilt jam

THE BBC has managed to jam up part of the Soviet propaganda machine. The new Soviet ambassador to Britain, Leonid Zamyatin, conceded to the House of Commons foreign affairs committee earlier this week that Russia jammed the BBC's Russian ser-vices. But he insisted that the

BBC was in turn blocking recep-tion of Radio Moscow, particularly in the north of England. Stung by such an allegation the BBC engineers investigated and found that two of the six frequencies used by Moscow to broadcast in English were being jammed by the Soviet Union's

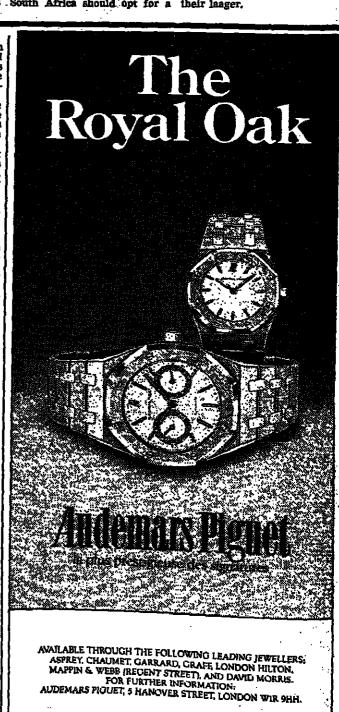
own jammers.
The distinctive "road drill" type of jamming used against western channels was spilling over into Moscow's own

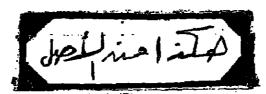
frequencies.
"I find it quite ironic that those Herculean jamming efforts engaged in by the Soviet Union some of their own broadcasts," says Austin Kark, managing director of BBC external services.

Nitwit

The OECD has announced publication of a report called New Information Technologies— thereafter known as NIT: How exquisite To think the wit Who thought up NIT Must live with it For quite a bit!

Observer





fore sensitive political ground, better avoided this side of a general election. As Ministers now say: "We do not want any more contentious legislation for the time being."

Yet it is still odd that the Post Office has never really been on the list of the Conservative Party's candidates for privatisa-

Party's candidates for privatisa-tion and that the Labour Party has not yet picked it up as an example of a public sector cor-poration that works and might be expanded. The only running at the moment is coming from Sir Ronald Dearing, the Post Office chairman, who would like more of an arm's length relationship with government, whatever the colour of the party in power.

Sir Ronald has been making

his points in speeches, the occa-sional interview and in an appearance before the House of Commons Select Committee on Trade and Industry this week. But first some background.

The Post Office is one of those cases where elitist opinion seems to differ markedly from

popular opinion. Most readers of the Financial Times would, I imagine, start with the same prejudices as I did when I began to look at the subject a

few days ago.

There are two in particular.

The first is the frustration of

parcel to Afghanistan or some times, it seems, simply passing the time of day.

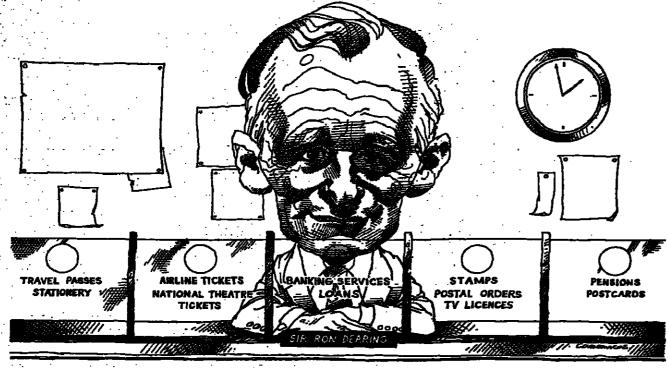
the one out of 10 first-class

business. Yet that is not the popular

POLITICS TODAY

The people's Post Office

By Malcolm Rutherford



The first is the frustration of trying to buy a few stamps when you have to stand in a queue behind a lot of people who are doing all sorts of different things from acquiring a dog licence, picking up social security benefits, sending a percel to Affantistan or some stamps are also being attended to. From next month about 2,000 electronic. push-button machines will be introduced outside main post offices. The customer will be able to buy six bypassing the Post Office to thought the for second-class (17p) stamps for £1 by putting in a range of coins. A similar scheme will operate for second-class stamps. The aim is to spread the system to sub-post offices as well. So one complaint should shortly be removed.

The Post Office as makes

counter business and the Giroamon are almost limitless. If there is ever an integration of the tax and benefit system—what used to be called negative income to be called negative income and benefit system—what used to be called negative income and benefit system—what used to be called negative income and benefit system—what used to be called negative income to be called negative income and benefit system—what used to be called negative income and benefit system—what used to be called negative income to be called negative income almost certainly play a role in it. For it has more outlets than any other bank. It is the place where most people go to other ways.

At the same time, the Post Office would almost certainly play a role in it. For it has more outlets than any other bank. It is the place where most people go to other ways.

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At the same time, the Post Office would almost certainly play a role in it. For it has more outlets than any other bank. It is the place where most people go to other ways.

The problem that it should be ac the one out of 10 first-class letters that fails to arrive on time rather than the satisfaction at the 90 per cent or so that manage to make it. Indeed, as I was talking to Sir Ronald this week, the chairman of a well-known private sector company was angrily complaining that the poor performance of the Post Office was ruining his business.

one complaint should shortly be removed.

The Post Office also makes money: not much, but some. The figures for 1985-86, to be announced shortly, will show profits of about £135m, broadly in line with the previous year and about another £20m for the National Givebank.

Yet that is not the popular view. Since 1979 the Post Office has been conducting regular opinion polls of what people think about it. Last month they showed the highest satisfaction ratings ever. Some 70 per cent of those polled said that the Post Office provided good value for money. Just over 80 per cent said it gave a good service to the public. As always in questions about the Post Office, there were very few "don't knows." One doubts if other public corporations would come off as favourably.

The difficulties in buying and about another £20m for the National Girobank. Far from becoming the poor relation dependent on public subsidy when British Telecom was split off in 1981, the Post Office has shown that it can stand on its own feet.

The question is what happens next. Will the Tories seek to privatise it or will a Labour Government let it develop as a model public sector corporation? Or will it just go on along its own peculiar path?

For the point about the Post Office is that it really is sufficiently in the difficulties in buying main divisions: letters, parcels.

new systems with the trade

Government intervention is another matter. Here not a great deal seems to have changed despite seven years of Conservative government. The Post Office still reports to the Department of Trade and In-dustry, submits its corporate plan for examination and interrogation and is subject to con-tact with government on an almost daily basis.

Government intervention can also be arbitrary. It can limit investment because of a short-term concern with the public sector borrowing requirement. It can prevent the emergence of a long-term strategy for

the shareholder, the regulator of performance, the banker-cum-investment controller and the minder of what it sees as the country's best interests. They are not always entirely

compatible
What Sir Ronald suggests is
a new relationship whereby
management would be allowed
to get on and manage. He said
in a recent speech: "The present Government, in privatising
British Telecom, has shown that British Telecom, has shown that it is possible for an undertaking to be a regulated monopoly without the whole apparatus of government controls that apply to the publicly owned monopolies. This at least poses the question whether, if that model is a success in the private sector, why we should not move some way towards it in at least some way towards it in at least the profitable public trading

should, sack the management if it likes when it fails to deliver, but the management should have the freedom and the time to get on with the job without

it. For it has more outlets that any other bank. It is the can be delivered in all sorts of the other ways.

At the same time, the Post office is one of the biggest of around every litis present in or around every litis is its possible that the Government of Industry is injusted in the extraction of and perhaps linked employers with a workforce of around 140,000.

It is also still expanding. It is lites also still expanding it is is largely as the post office is one of the biggest of around 140,000.

It is present in or around every litis around the flower must be conservatives most of around 140,000.

It is also still expanding it is largely as the post office is one of the biggest of around 140,000.

It is largely as the covernment breathing down the following the post office is one of the biggest of the support of the country before the place where most post and the time place where most people go to retail to adapt to very severe technological change. There was spectacular disputes over the freedom and the time to other ways.

The problem about industrial hour the place is trying adapt to the support of the samp through the post office is the freedom and the time to cannot down the following the great dispute over the freedom and the time to cannot industrial the post office is trying to adapt to very severe technological change. There was appeared over the freedom and the time to cannot industrial the post office is trying to adapt to very severe the conditions is that the Post Office is trying to adapt to very severe and the samp of the construction of a market of savings and troughs: there is a lot of any or those Conservatives most and trough the following th

Lombard

Corporate image and reality

By Richard Lambert

of a long-term strategy for growth and efficiency. As Sir Ronald says, the Government sometimes shows a "preoccupation with numbers rather than substance."

In fact, the role of the government is fourfold. It is the charabelist the regulator of the government is fourfold. It is the charabelist the regulator of the special transport of the charabelists. to change its name almost as often as its corporate plan and considerably more frequently than its model range — is to be reborn as the Rover Group. Sometimes, it all gets to be

too much.

For the companies, the name change is usually intended to be a symbolic gesture, breaking an association in the public mind with recent disasters. Everything will no doubt be all right with the UK coal industry now that the National Coal Board is to be known as British Coal.

But is it really a positive message that is being projected? The Rover decision, for instance, might instead be seen as the last nail in the coffin of the British-owned motor industry. British-owned motor industry.
Austin, a name which stands for volume car production, has been left on the sidelines. And the new Rover model, launched this week, is a joint development with Japan.

The English cricket team presents the image builders with a greater problem. Some disasters are simply too big to

In a way, what is almost too frightful to contemplate is the circumstances in which such decisions are taken. Harassed executives sit around the board-room table, years of frustration and failure etched on their foreheads. Fawn suited image-healthy group health builders, radiating good health and positive thinking, are talk-ing about running things up flagpoles. Decisions are taken at the whim of the moment. New logos are designed, and buckets of paint ordered.

Of course the exercise will be dressed up in pseudo scientific jargon to impress the poor souls who have been persuaded that they are doing something worthwhile. Navistar — International Harvester as was, if you remember — believes its name change will give it a new public identity, putting it in a better position to diversify at some unspecified time in the future. The name was first thrown up by a computer, and the final choice was put to a mixed group of shareholders, Of course the exercise will

US STEEL, one of the great advertisers, employees and names of American business customers. The cost of the whole bistory, is henceforward to be exercise has been put at \$10m. Meanwhile, the business contimues to slide.

There is, of course, no reason why this practice should be confined to white elephants in the corporate sector. It can only be a question of time before Sellafield (nee Windscale) changes its letterhead once more. No doubt the great public relations firm of Ruuski and Ruuski is even now working on Ruuski is even now working on something suitably tasteful for the town of Chernobyl.

That nice Mr Murdoch can that fince mr aurucca can soon be expected to arrange for the London borough of Wapping to be given more soothing asso-ciations. Something like Cax-ton's Yard might catch the right

Sporting occasions obviously lend themselves to the treatment, especially if they have British connections. The Commonwealth Games have become an embarrassment for political reasons. Better to rename them the Robert Martinell Fire Burn

The English cricket team presents the image builders with a greater problem. Some disasters are simply too big to be glossed over, and this may be one of those occasions when outright deceit is the best solution. In future, the Financial Times will refer to this group of individuals as the West Indian cricket team. of individuals as the Indian cricket team.

A survey of large British companies published earlier this week showed that rather more than half placed corporate image at the top of a list of image at the top of a list of image. "major issues of growing importance." Financial performance only managed to make second place, while mere tech-nical details like cash flow had slipped well down the league table. The report also found tions, closures and disposals than from the development of

The two themes go together.

A positive public image is indeed of first importance to an asset shuffler. But when important institutions put public

Urban areas of opportunity

From the Deputy Director, Economic Affairs, Confederation of British

-You reported (July 7 and 8) that the Government is considering setting up eight tions (UDCs) to tackle areas of high urban decay, referring to concern at the "removal of democratic autonomy." In areas which are sparsely populated, this seems a small price to pay for the demonstrable benefits which a UDC can bring witness London, and increas my Liverpool, decklands.
Where a problem is more likely to arise is in areas where substantial communities.

substantial communities already exist, albeit in poor physical surroundings and with few employment opportunities. few employment opportunities. Such areas clearly need more than the existing efforts of local authorities and urban programme resources to improve physical and social conditions, renew business confidence and attract private investment. As your leader suggests, full scale UDCs may not be appropriate. A better sultion, which this confederation commended to the Government is the urban development. s the urban development gency (UDA).

Sueb an agency would have the same powers to promote economic development as are objecting to their currently held by the Scottish and Welsh Development Agencies: i.e. powers to assemble and develop land; provide physical infrastructure and assist private developers with both finance and practical help. Like the SDA and WDA it would not hold planning powers but an accelerated and interest in advance because the

Letters to the Editor

simplified route through the minimise delays

By concentrating purely on conomic redevelopment—all economic redevelopment—all other functions would remain with the local authorities— UDAs would provide an exper-tise and a focus which councils with their comprehensive range of tists cannot easily develop; of tisks cannot easily develop;
and, steered by a business-led
board. The as could act more
quickly and decisively than the
average local authority, thus
securing the necessary confidence of the business sector.
The spectacular achievements of the SDA using this
approach in the eastend of
Glasgow speak for themselves.
It is time that decaying unban
areas in the rest of Britain

areas in the rest of Britain received the same attention.

Penny Birdseye. 103, New Oxford St, WCL Arbitrarily. varied ...

local authority planning pro-cess could be introduced to The closing balance on my annual statement includes un-paid monthly buildings insurance instalments, the number of which could vary between 0 and Government's behaviour. Richard Steiner 318 Byres Rd.

Money on the

Sir,—I read with interest Andrew Fisher's report (July 7) "BR puts more money on the line." Pretty trains and clean stations are very com-mendable and desirable. Punc-tuality, to most commuters, is, however, of paramount impor-tance, particularly if they have

I am one of the unfortunate 10 per cent that is always late. I do not subscribe to the view that 5 minutes late is acceptable. British Rail set, the schedules—they should make them work. The Dartford loop line is notorious for lateness.

14, Arbuthnot Lane

Nice little earner

ance instalments, the number of which could vary between 0 and 11. If interest is charged on the stated closing balance, then it would vary arbitrarily in the same way. So presumably would the tax relief charged to the Government, which justifies the Government's behaviour.

Government's behaviour.

Given Mr P. Kreamer

Sir. Mr Gordon (July 4) is of course quite right in pointing out that the available energy in domestic rubbish is insufficient to pay for the cost of its incineration. But, having been collected, the rubbish in our cities then has to have vast sums invested in and spent on From Mr P. Kreamer sums invested in and spent on

its disposal.

The Ocean advertisement
(June 26) records its investment
"so far" of £11m to receive,
transport and dispose of some of London's rubbish. That sum of London's rubbish, That sum currently copes with a mere 200,000 tons from the Wandsworth transfer station. Add the GLC investment of £13m in the station itself and we have £24m to amortise.

to amortise.

At 20 per cent per annum this means that the disposal cost of that part of London's rubbish is £24 per ton in capital charges

alone:

A dump charge of little over half that figure at a reboilered Battersea power station plus the value of the energy produced could add up to a nice little

Something to be said for a close company-bank relationship

From Professor W. Corl Kester and significance of that relation, could result in a lower overall rather than its own, separation of equity owners for old-time banking" (June down in their growth preceded 17), David Lascelles puts his shift from hank-oriented product markets. Without care to peculiar adverse investments. finger squarely on an important feature of modern finance: the "securitisation" of corporate liabilities and bank assets. I share his concern that this trend may not be as unambiguously good as many make it out to be. I would, however, modify Mr Larcelles, conclusions with the fol-

lowing observations.

The cause and effect relation between patterns of corporate finance and economic growth are not unambiguous. Did West Germany's and Japan's economies develop as they did because of the undeveloped securities markets (and the securities markets (and the concomitant dependence on intermediated credit) or despite them? I am inclined to believe that intermediated credit and extensive bank ownership of extensive bank ownership of debt capital that is likely to provide a competitive edge. venopment. But given the many engines of growth in these reconstructing economies, it is difficult to be sure of the nature

To the extent that a positive

To the extent that a positive relation between intermediated credit and corporate performance does exist, I am inclined to attribute it to factors somewhat different than that identified by Mr Lascelles. He notes that, "... by far the most effective form of finance is that created in a close partnership between a company and a good bank which understands its needs and is able to supply them." I would rephrase the last clause of that sentence to read, "... which understands read, "which understands management's temptation and is able to discipline them." In

ful monitoring, however, there is no guarantee that a cost of capital savings will, in fact, translate into a competitive advantage and shareholder value. Some management groups more concerned with their own welfare may use that savings and other sources of corporate wealth to enrich themselves or pursue strategies designed to ensure job security or extend the reach of their power without creating added value in the process. The diffused nature of public ownership of securities and the relatively weak levers of corporate governance in the hands of the public makes, it difficult to keep such behaviour in check. The natural response to this is the development of a market for corporate control (ie, a takeover market to replace poor management). Even if management does

separation of equity ownership from credit extension can lead to peculiar adverse investment incentives. Paradoxically, companies with debt on their balance sheets can sometimes best act in shareholder interests by foregoing normally good investments or undertaking highly risky ones if, by doing so, they successfully erode value from lenders and transfer it to equity owners. This possibility can be reduced or obviated by combining the role of primary lender and investor in one entity

In short there is something to be said for a close companybank relationship, and it is not merely to have a "port-in-a-storm." Managers and industrial policy makers should be aware of this fact as they abandon old sources of capital for new ones.

W. Carl Kester.

This announcement appears as a matter of record only.



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Limited Recourse Facility

to finance the development of St. George's Court, 51 Eastcheap, London EC3

by companies associated with

London & Edinburgh Trust PLC **\$ & W Berisford PLC**

Balfour Beatty Limited Guinness Peat Group PLC

City Merchant Developers Limited

Managed by A P Bank Limited

Provided by

Canadian imperial Bank of Commerce Security Pacific National Bank Riggs National Bank

Banque Paribas (London) Banque Belge Limited A P Bank Limited Nederlandsche Middenstandsbank N.V. Yorkshire Bank PLC Bank of Tokyo International Limited

> Agent Bank A P Bank Limited

May, 1986

FINANCIAL TIMES

Friday July 11 1986



Montedison calls for L947bn

BY ALAN FRIEDMAN IN MILAN

MONTEDISON, the Italian chemicals, energy and health care group, is to raise L947bn (\$633m) through a rights issue on the Milan bourse. The equity issue, one of the biggest. in Italian history, brings to a total disclosed price. Intermatine, which of \$1.7bn the cash being sought on the stock market by Montedison L140bn, is owned by Mr Gianni Varand its subsidiaries this year.

The rights issue proceeds will be used in part to finance Montedison's acquisition of Fermenta, the Swedish pharmaceuticals and biotechnology company, which was an-selling to Paf for an undisclosed nounced earlier this week. Montedison is purchasing from Mr Retaat El-Saved, the Fermenta chief ex- company which last year made a ecutive, 44.16 per cent of the company's equity, which carries with it more than 75 per cent voting control. Montedison declined yesterday ing Intermarine is to develop the more than 75 per cent voting control. Montedison declined yesterday ing Intermarine is to develop the more than 75 per cent voting control. to say how much it was paying for Mr El-Sayed's shareholding, but it was learnt that the amount is at least \$335m and possibly as much is meanwhile selling a glass company.

tions, asset sales and a joint ven-

troduce digital audio tape equip-

ment which is widely seen as a

threat to the market for compact

Digital audio tane which can be

used to record and play back music, has a similar sound quality to that

of compact discs. There are fears in the industry that early introduction

of the digital audio tape (DAT) sys-

tem could undermine the rapidly

Both Matsushita Electric, Japan's

largest electronics group, and Sony, one of the traditional innovators

among the leading Japanese com-panies, said yesterday that they had no definite plans for marketing

Until recently, they and the other

hig Japanese electronics groups, would wa had been planning to launch DAT the annu players this autumn. One concern October.

growing market in compact discs.

discs and players.

termarine, a Genoa based company glass-reinforced plastics, for an un-L140bn, is owned by Mr Gianni Varasi's Paf holding company, which is Montedison's higgest single share-

At the same time Montedison is price its 51 per cent controlling stake in Fidenza Vetraria, a glass net profit of L5.1bn on turnover of

Montedison yesterday also an- ing to Paf a 25 per cent sharehold-nounced a number of other acquisi- ing in its Mira Lanza detergents subsidiary, lowering its stake in Mi-

LEADING consumer electronics copyright if DAT equipment was and white goods maker, expressed

One leading company says that pre-recorded digital audio tapes would have to be made from fast-

dubbing machines which are the

subject of various legal actions

worldwide and may not be allowed

JVC, Japan's leading producer of

was "studying" the marketing date.

the compact disc market, said it

year, depending on market reac-tion." Hitachi said it would conduct

for the electronics companies is Mr Cor van der Khugt, president introduce the tape or a player on that they could face lawsuits over of Philips, the Dutch electronics the market. However, that could

Hitachi, with smaller exposure to

ready to go with DAT this

market surveys on the new product pact discs.

for DAT use in the US or UK.

BY CARLA RAPOPORT IN TOKYO AND LAURA RAUN IN AMSTERDAM

companies are delaying plans to in- used to tape material from compact

Japanese delay digital audio tape plans

JVC, Japan's leading producer of compact disc players, yesterday refused to say whether it planned to disc players — including Philips — launch DAT this autumn. It said it was "studying" the marketing date.

over the next few months and would watch customer response at in developing an industry standard

the annual audio fair in Japan in known as rotary head for DAT sys-

Montedison of 100 per cent of In- the Mira Lanza stake, for an undisclosed price, it is abandoning consumer products. Mira Lanza last year made a net profit of L8.8bn on sales of L395bn.

Montedison also announced the purchase of Ellem, an Italian pharmaceuticals company which specialises in antibiotics. Ellem's holder, with 10 per cent of group eq 1985 net profit was L7.5bn on turn-

> Mr Giorgio Porta, Montedison's managing director, said he would not comment on whether an offer would be made for the balance of Fermenta shares not held by Mr El-Sayed. Mr Porta did say, however,

Mr Porta said the Fermenta deal was subject to the approval of edish authorities and stressed the importance of Swedish trade agreeing to the deal. He would not commit himself on whether all of Fermenta's factories (in Sweden, France, Italy and the subsidiary, lowering its stake in Mi-ra Lanza to 30 per cent. Montedison ly that "when we get to the operat-

his concern over the early introduc-tion of DAT when he visited Japa-

nese electronics companies during a trip to the Far East a fortnight

He argued that consumers would

ment, that music publishers

be confused by yet another new au-dio product amid a welter of sound

Polygram, the music publishing subsidiary of Philips, also has pub-

lichy urged a delay in the launch of DAT because it could hurt its recent

strong sales of pre-recorded com-

tems but has no immediate plans to

BY JASON CRISP IN LONDON

INMOS. Thorn EMI's troubled sem-

iconductor subsidiary, is making 500 employees redundant at its Co-

lorado Springs microchip plant in the US as part of major restructur-

ing which will cost £45m (\$68.2).

Inmos continues to be the biggest single problem for Thorn EMI, which yesterday reported better than expected pre-tax profits of

£104.7m on sales of £3.316bn. Thorn

EMI bought Inmos from the British Government in July 1984 for £131m.

Borrowings and guarantees on leases bring the cumulative cost to Thorn EMI to nearly £240m.

Colorado Springs was the first nicrochip factory built by Inmos -

the company set up by a former La-

bour government to give Britain a

presence in mass market micro-

chips. After the 500 redundancies

announced yesterday the plant will only employ 350 compared with over 1,000 at its peak.

Inmos will transfer production "C-Mos" microchips to its plant in

Newport, South Wales. Colorado

Springs will still make specialist microchips using N-Mos technology and will conduct research and de-

velopment into production technolo-

The company has not closed Co-

Inmos to axe 500 US

jobs in restructure

These include the acquisition by said yesterday that with the sale of ing point we will evaluate each division on an individual basis."

Mr Lino Cardarelli, Montedisor group finance director, admitted that the L947bn rights issue, coming in the wake of L1,600 bn of other share issues for Montedison and subsidiaries, was "very large". He stressed, however, that "the Italian stock market has shown itself ready to meet such requests from industry."

Montedison total group debt is

still L5,000bn, but the company says it will drop to L3,000bn by year-end. Mr Cardarelli said Montedison cash flow would increase by 30 to 40 per cent this year and predicted an operating margin of 13 to 15 per operating amount to be properly of the properly of L113bn on L14,132bn (\$9.4bn) of sales. The profit will be more than doubled this year, according to the company. Montedison also announced yesterday agree-ment with Asahi Glass of Japan to form a joint venture in Japan and South-East Asia for the marketing of fluoride-treated rubber products

change if the Japanese decided to

export DAT systems to Europe, Phi-

Philips pioneered compact disc

chnology and claims as much as

e-quarter of worldwide player

In Japan, Hitachi disagrees with

Philips over whether the introduc-tion of DAT would harm compact disc sales. It believes DAT and com-

pact discs would become compati-

ble, as with long playing records and tape cassettes now. Until re-cently, this has been the Japanese

The delay in DAT introduction by

Japanese electronics companies is unusual, as they tend to pride them-

selves on pushing out a steady flow of innovative products. However, with prices of CD players dropping rapidly, and the recent strengthen-

ing of the yen, most manufacturers would not like to see CD sales

next generation of even smaller microchips. Another reason is that a US manufacturing facility helps sales there, particularly as the mili-

The changes in production has meant substantial write-down of equipment in the US. The Newport

plant will still have enormous over-

capactiy even after it takes on part

of the US production because In-mos has abandoned the mass mar-

ket in favour of high-cost specialist

figures are because some appear in

last year's accounts and the parent

company's figures are net of tax).

Thorn EMI said yesterday that Inmos had made £25m losses last

year which had been continuing at

similar rate in the current year. It

tary is a large customer.

industry's general line on DAT.

sales plus a substantial share of the

lips said yesterday.

compact disc market.

among them the anti-corrosive Tecnoflon brand. seen so far.

The significant but unpredictable

 The fact that under the compromise for 1986 agreed yesterday, Community spending has nudged right up against the legal limit on resources implied by the 1.4 per cent VAT ceiling (a theoretical formula for member-state contributions)

This week's crisis in the EEC's finances was prompted by a Euro-pean Court ruling last week that the European Parliament had exceeded its powers by voting extra resource without member-states' approval. The court, however, effectively told the two institutions to go away and settle their differences.

1986 spending by the parliament came after a 9½-hour negotiating session between its influential Budget Committee and the Council of Budget Ministers.

The complex compromise in-1986, it made a trading loss of \$50.1m on set sales of \$94.4m. In ad-\$50.1m on set sales of \$94.4m. In addition to a writedown of \$37.3m when it got out of the mass commodity market for memory chips it to be bridged. An equally arcane has now made a write-down of seening was used to settle a small seen for this latest rationalisation difference over spending on sodifference over spending on so-called "non-compulsory" proof its manufacturing. (The disparity between the Thorn EMI and Inmos

least partly to reflect the collapse in the oil price in recent months.

BP said: "Animal feed is not a high-tech or particularly glamorous business, but it is nearer to the consumer than a lot of our energy businesses. It also works on a different cycle from oil, and involves lower

BPs involvement in the animal

BP Nutrition now operates

spending

European

approves

EEC

Parliament

THE final hurdle in the protracted and often tense negotiations over the EEC's 1988 budget was cleared yesterday when the European Parliament approved plans for more than Ecu 35.16bn (\$34.4bm) in Community spending.

But the sense of relief that one of the Community's most serious financial crises had been averted was immediately mingled with renewed apprehension about the outlook for 1987.

Preliminary negotiations over next year's spending begin in Brus sels later this month and there is widespread awareness inside the EEC's major institutions that these could be tougher than anything

Among the potential obstacles mentioned in Strasbourg yesterday

impact of the value of the dollar on the EEC's agricultural spending. The weakness of the US currency this year severely increased the cost of EEC farm export subsidies and hence the pressure on other

tions based on that percentage in each country of a common basket of goods and services). The rate was only increased from 1 to 1.4 per cent in January this year,

● The ending of Britain's six-month presidency of the EEC at the end of this year. Divisions between the northern member-states and the Mediterranean countries which threatened to scupper yesterday's agreement were to some extent atched over by the mediating role played by Mr Peter Brooke, the British chairman of the powerful Council of Budget Ministers;

 Increasing unhappiness among of the reduced payments negotiated for Britain by Mrs Margaret Thatcher, the UK Prime Minister, at the Fontainebleau summit in 1984. These account for a significant slice of the EEC budget, and while not an issue that broke out into the open this year, observers say it was never far beneath the sur

Yesterday's final endorsement of

Figures published by Inmos yes-terday show the scale of its prob-lems. In the 15 months to March

Members of the European Parliament were pleased last night that the budget appeared to safeguard spending plans for the EECs re-gional and social funds. In an unusually high turnout of 403 members, 355 were in favour of the prosaid that after the restructuring it posal with 27 (mostly from the Brit-would be able to break even with a ish Labour-Party group) against

and 21 abstention Background, Page 2

BP buys feeds unit

Continued from Page 1

levels of investment with a much faster payback."

feed market began in the 1960s with the development of proteins based on oil feedstocks. The soaring oil price in the 1970s made the project uneconomic, but BP said that in the process it had noticed opportunities in the conventional animal feeds business for a group of its size.

around 70 plants around the world, centred on the Hendrix business in THE LEX COLUMN

The junks sail in

The history of Standard Chartered in the Orient was built on dreams of holding the gorgeous East in fee; Standard's defence against the bid from Lloyds now looks as if it may earn Standard the dubious privilege of being held in fee by shareholders from the gor-geous East. A bid that appeared to have an almost excessive certainty of success less than a fortnight ago now seems to have a better than even chance of being blocked by heavy buying from Standard's friends and customers in Hong Kong and Singapore.

The arithmetic of this late charge

has thrown the market for Standard's shares into a state of com-plete confusion. The near 10 per cent held by Sir Y. K. Pao, added to 5 per cent acquired by Tan Sri Khoo, and a reputed 5 per cent aggregation of smaller parcels in Hong Kong have stiffened the gra-dient that Lloyds must climb if it is to win tomorrow. Allowing for the 4.9 per cent that Lloyds has been al lowed by US regulations to buy, it probably needs acceptances from over two thirds of the uncommitted

The market's calculation appears to lean in the direction of believing that Lloyds cannot expect to make it. A 15p rise in Lloyd's own share price to 412p yesterday will have left the value of the offer in the region of 850p; the gyrations of Stan-dard's share price finished at 775p, with a net fall of 27p on the day. Even if the defensive arguments of Standard have succeeded in establishing a post-bid price of more than 700p, the odds against Lloyds have clearly lengthened. The attractions of Lloyd's offer

are not to be dismissed. Although Standard has posted a billion-dollar price-tag on its US bank, Union Bancorp, and totted up some mouth-watering valuations on other parts of its empire, it could be a long time, in the ordinary way of things, before Standard managed to realise such values for the benefit of shareholders. Exploiting the appraised value of Union in a merger of its own is not something that can easily be brought off overnight. Perother member-states about the size haps the most likely way for these riches to be unlocked is a deal with some of the friends who have now ridden in to Standard's aid: but that might be less to the benefit of other shareholders than a bid for the en-

Of course, many of the shares that have been bought by the East-ern allies may have been sold by in800 500

stitutions that intend to assent their remaining stock but are not prepared to wait for their money until the end of August (or beyond). And in that case, the game is still not anything goes basis, the notion of a

Thorn EMI

Struggling to put right a misma-naged business is one thing, jug-gling with figures is another. Al-though Thorn EMI has persuaded its auditors to endorse pre-tax profits of £104.7m for the year to March, along with enough earnings per share to cover an unchanged divi-dend 1% times, these are numbers that might as well have been decided without reference to the pass said down last year, Thorn is paying its £42m of ordinary dividend after very large write-offs below the line, again largely occasioned by difficulties unit. The said the said of the trough, and now looks set to enjoy a bonanza, barring a US holocaust. So asking sharehold. group attributable profit this time is a mere £0.4m.

There is, of course, plenty of cash with which to pay this dividend, given the disposals of the year - in-chiding £128m raised by the controversial sale of Thorn's film business to Mr Alan Bond. Moreover, there seems to be some evidence that parts of the group are being per cent. Walbrook's limited capital more effectively put to work: last base had already forced it to turn year's provisions for the reorganisation of Fergison have made it postations. more effectively put to work: last year's provisions for the reorganisasible to get the manufacture of brown goods back into profitability, while the rental and retailing oper- H.S. Weavers underwriting agentions are doing well. It is possible which takes a 7½ per cent comm to talk of a 15 per cent underlying sion on all the new business. That improvement in group operating will virtually all come straight

RELOCATING?

below 40 per cent. The group is probably through the worst of its troubles - even assuming that the remaining investment in Inmos has to be written off in turn. It is arguable that the accounts should be drawn up in a way that reflects this

Yet there is room to question how extraordinary are the items which nowadays are kicked into Thorn's ceilar. At around £250m, Innos is clearly the most expensive mistake that Thorn will ever make, but the retreat of Inmos from parts of the memory market seems to be a recurrent feature after tax. And while Rumbelows may have given up TV rental it is straining at a gust to show £10m of damage below the line in a group where rental is still a major source of profit. On this prospective earnings multiple for Thorn can have no meaning and even on stated earnings, the historic multiple at 487p is nearly 29.

London United

There is a certain elegance in the inevitability of the insurance underwriting cycle. If boom is here now, can bust be far behind? In one suffi corner of the market, London Usit ed investments is following the firescribed course in deciding that now is the time to put in more capital. put up the money through a one-for-two rights, the third issue in four years, is not entirely che The 15p share price rise to 118p argues that investors are not of fended.

US casualty market where London United's Walbrook Insurance op-erates are rising by as much as 490 rapidly. Profits will not come from that side, however, but through the wofit. through to profits. So pre-tax prof-In addition, the effect of Thorn's its in 1986 could top £14m against various disposals has been to reduce the average level of debt by about £100m, so that even after the extraordinary items, net gearing is constituted to the first suspicious constitution of 5.8 per cent, still reflects suspicious that it cannot last forever.

Allied-Lyons closer to winning Hiram battle

BY DAVID GOODHART IN LONDON AND

ALLIED-LYONS of the UK has won and the Reichmanns won control of the second round of a complex legal the whole of Hiram Walker through battle to gain control of the drinks the Gulf Canada subsidiary of business of Hiram Walker Re-

smirces of Canada. Allied arranged the Hiram deal for C\$2.6bn (\$2bn) while under threat of a £1.8bn (\$2.75bn) bid from Elders IXL, the Australian brewing-to-financial conglomerate. The Elto the Monopolies and Mergers Commission, which has to present its report to Britain's trade and in-

dustry Secretary by September 4.

The agreement by Hiram Walker's management to sell the drinks business to Allied was widely seen as part of a defence against takeover by the Reichmann Brothers, Olympia & York Developments.

That defence was unsuccessful

junction to block the sale of the drinks assets. The court refused and the Reichmanns followed up with an appeal. That appeal has now been turned

down in a unanimous ruling by three judges in the Ontario Su-preme Court. It significantly increases Allied's chances of winning control of the spirits and wine divi sion but the company still has to pass through several more legal

Olympia & York and sought an in-

hoops. On July 16 Olympia & York is seeking to contest the validity of the sale contract to Allied and soon through their holding company after, the UK food and drinks company is itself lodging a claim for CS9bn in compensation

sterling exchange rate index, howeyer, is now at 74.9, less than 5 per cent below its average for 1985, while the oil price stands more than

In government circles, officials were yesterday calm about the damage a lower oil price could do to Government revenues or to the UK's trade balance. The impact on petroleum revenue tax receipts will not be clear until September.

oil price. The Bank of England's rent level for the rest of the year Treasury in its budget forecasts trade surplus would be reduced, but the effect on the overall current ac-

Sterling falls sharply

World Weather

Continued from Page 1

If the oil price remains at its cur- cial markets

some 35 per cent lower than the price of \$15 a barrel assumed by the officials concede that the UK's oil

lorado Springs because it cannot find engineers with the production small increase in sales. count of the UK's balance of pay-ments would be limited. In addition Thorn EMI results, Page 24 techniques in the UK to develop the Commission wraps up rate would be expected to offset this effect in following years. Recent trade figures, however sticky chocolate truce

Continued from Page 1

Seven amendments later, the Commission thought it might con-solidate the ruling. If, it suggested, vegetable substances did not exceed 5 per cent of the weight of the chocolate, and the label specified precisely that, then the product

could earn the title 'chocolat The result - uproar. "French chocolate plot to gobble up our market," said one British Europarliamentarian. British chocolate should be called "vegolate", said a Frenchman, or "cocoa fantasy" according to a Belgian.

Not much help here for the Commission, which could not move with the legislation without an opinion from the parliament. So the Commission has withdrawn - withdrawn to a Community legal for-

de Dijon case judgment from the European Court said that goods which were fit to circulate in one country of the Community were fit to circulate in another.

It is the same reasoning which the Commission is using in its attempts to break down West German resistance to imported beers - resistance on the grounds that the imported beers do not meet the German standards of content.

That matter is before the Euronean Court of Justice. But the Commission will not know whether its chocolate tactic has been successful until it receives a complaint from somebody that the chocolate required cannot be bought because of troubles about the nature of the product.

Then it can test its new approach No legislation, just a reliance on and see whether the liquid ap-legal precedent, because the Cassis proach works legally for chocolate.

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SECTION II - COMPANIES AND MARKETS

FINANCIAL TIMES

Friday July 11 1986



General Electric profits edge ahead 5 per cent

The second-quarter results med first half net earnings to \$1.16bn or \$2.54 a share, up from \$1.1bn or \$2.42 a share in the year-ago period. First half revenues grew by 5 per cent to \$13.50m, up from \$13.04bn a

year ago.

GP's 1985 net earnings included \$36m from BCA, before estimated acquisition costs, and sales included \$803m from the US network television group acquired by GE for \$6.4bm last month as part of the group's diversification strategy.
GE said the numbers represented.
RCA's operating results since June
1. After acquition costs GE said its

Mr John Welch, GE's chairman,

Suncor stake

to be retained

By Robert Gibbens in Montree

ONTARIO'S Liberal Government

in oil prices since last December

from carrying out a commitment to

by the previous Conservative Ad-

ministration after the 1979 energy

nited

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12 45. 21 45. 22 45.

services while maintaining a strong

The acquisition of Kidder, Pea-body's investment banking busiRAYTHEON, the US defence. ness, the proposed addition of cer-tain assets of Johnson & Johnson's diagnostic imaging business, and the pending joint venture with Fa-nuc in factory automation and systems in recent months are further evidence of this evolving strategy,"

"Meanwhile GE's financial condition remains strong, with the addi-tional borrowings to finance the acquisitions well within our ability to pay without inhibiting future growth," he added.

Among BE's industry segments the group noted yesterday that con-sumer products, major appliances, industrial products, aircraft engines and financial services all posted higher earnings despite slightly lower consumer products revenues

Power systems earnings were "substantially" lower, while GE noted that materials earnings were stightly lower despite modestly higher revenues.

electronics and process engineering group, reported a 5.7 per cent in-crease in second-quarter net earnings to \$99.8m or \$1.28 a share on sales of \$1.83bn, compared to net earnings of \$941m or \$1.14 a share on sales of \$1.6bn a year ago.

For the first half, Raytheon reported net earnings of \$192.1m or or \$2.18 a share in the year ago period on sales which grew by 13 per cent to \$3.55bn from \$3.13bn.

The company said the latest quarter's operating performance was "paced by electronics as our de-fence electronics systems continue to grow strongly." Rayethon said its major appliance group also posted higher sales and substantially high-

Safeway had no further comment on the Dart Group take-over bid. On Wednesday the company said that it would eval-uate the offer and make a recom-mendation to stockholders by Ju-

By Louise Kehoe in San Francisco

SAFEWAY STORES, the giant US supermarket chain that laces an unsolicited \$3.66m takeover

ed second-quarter earnings of \$45.6m, or 75 cents per share,

Sales were up slightly at \$4.57bn compared with \$4.54bn in the second quarter of 1985.

First-half earnings totalled \$72.6m, or \$1.19 a share, compared with \$75.6m, or \$1.28, last

year. Sales for the first balf of 1986 were \$9.03ba compared with

Saleway said earnings from its

foreign operations continued to show strength, but were insuffi-cient to offset declines in US

\$9.16bn last year,

the same period last year.

wa from \$49.9m or 83 cents, for

US retail industry analysts predict that Saleway will either try to find an alternative buyer or seek a higher offer from Dart.
"It's awfully bard to refuse a
cash offer. My bet is that Safeway will come back and ask for \$65 a share and that Dari will counter offer \$60 or \$51," said Mr nan Ziegier of Sutro in San

Alternative scenarios suggested by other analysts included the possibility that Saleway would sell off some of its assets and repurchase the Dart Group's 5.9
per cent stock holding. The company might also make a defensive acquisition to load itself with debt or attempt to go private

July, 1986

Ford buys 10% stake in Korean car maker

manufacturer, is paying \$30m for a 10 per ceut stake in Kia Motors, the Korean company, which is building the new minicar Ford will introduce into the US market in the spring of

Mr Donald E. Petersen, Ford's hairman, said: "The Pacific rim nations are becoming a pivotal pro-duction area for the global auto in-dustry and Kia Motors is one of the rs in Korea's remarkable growth and emergence as a world-competitive source of quality manu-facturing and assembly." Ford believes the link will strengthen its ability to provide customers with high-quality products at competi-

Ford's decision to take an equity stake in Kia Motors follows an an-

that the US company and Mazda, its Japanese partner, were working with Kia on a new minicar for the US market. It will be based on a Mazda-designed and engineered ve-

Mazda, which is 25 per cent owned by Ford, will contribute production engineering support and component parts for the new car. General Motors, the biggest US

car manufacturer, already imports a minicar from Suzuki of Japan and market analysts are predicting a growing market for imported minicars in the US.

holds 15 per cent, Mazda, which owns 8 per cent, and C. Toh, 2 per cent. Yesterday's agreement, which was signed at Ford's Dearborn, Mi-chigan headquarters, provides for one Ford representative on Kia's

Ford says the link-up marks its first equity involvement with a Korean vehicle manufacturer. Last December it set up joint venture with Mando Machinery of Korea to form the Halla Climate Control Corsaid its fiscal fourth-quarter net poration and produce aluminium car radiators for the local market With these associations, Korea becomes the 48th country in which

Texas Air bid

Express ends

TEXAS AIR said yesterday that

People Express, the troubled cut-price carrier, had rejected its take-

over proposal of \$9 in cash and non-

Texas Air, which is already in the

process of acquiring East Airlines, said that talks on the possible ac-

quisition of People Express had

Owens-Illinois, largest US pro-

ducer of glass containers, lifted sec

ond-quarter net earnings from \$45.4m or 76 cents a share to \$56.1m

or 93 cents, while sales edged up

● Abbott Laboratories, the US

pharmaceuticals group, boosted second-quarter net earnings from

\$115m or 48 cents a share to

Six-month earnings were \$257.1m

or \$1.09 a share, against \$217.2m or 91 cents. Sales rose from \$1.58bn to

from \$953.1m to \$958.5m.

\$133.7m or 57 cents.

onvertible preferred stock.

for People

Ford joins an impressive list of other shareholders in Kia Motors, one of Korea's top three vehicle manufacturers. Other investors in-Ford has established companies, branches or production operations since it was established 83 years

Mills rebound continues

General

GENERAL MILLS, the US packyesterday reported sharply higher fiscal fourth-quarter and full year earnings, continuing a strong earn-

said its fiscal fourth-quarter net earnings jumped to \$42.2m or 94 cents a share on revenues of \$1.16bn. In the year-ago quarter, General Mills reported net operating earnings of \$100,000 or 1 cent a share on revenues of \$1.07bn after taking a \$34.6m charge related to an asset redeployment programme. It posted a net loss of \$108.5m after osses of \$108.6m from discontinued

For the fiscal year ended May 25, General Mills reported net earnings of \$183.5m or \$4.11 a share on sales of \$4.59hn compared to net earnings from continuing operations of \$115.4m or \$2.58 a share on sales of \$4.29bn in the previous year.

In fiscal 1985 a loss of \$188.3m from discontinued operations made a final net loss of \$72.9m. The fiscal 1985 earnings from continuing oper ations include a \$44m charge.

The group, whose major brand products include Big G cereals, Betty Crocker desserts and Gold Medal flour, and which operates about 505 restaurants, has spun-off its toy and fashion groups and disposed of several special retailing business as part of a major restructuring. Yesterday, General Mills said its

current year was off to a "promising start" towards strong financial per-

The company has also agreed to buy Care Corporation, which owns 41 nursing homes in six states. The company said its consume foods business showed a favourable operating profit in the year just ended, despite heavy marketing spending. The restaurant group plans to add 100 new outlets in the current year, up from 29 in 1986 and four in 1985. It also intends to remodel more than 200 existing Red Lobster and York restaurants.

Safeway earnings slip to \$45.6m

GENERAL Electric (GE), the fast said: "Completion in June of the and flat industrial products revediversifying US electrical and elec-trong equipment manufacturing milestone in GE's strategy of being group, sesterday reported a modest a world leader in technology and subst group //esterday reported a modest 5 per cent increase in second-quar-5 persent increase in second quar-ter net earnings to \$520m, or \$1.36 a share completed to \$590m, or \$1.30 a share in the year ago period on sales which increased by 14 per cent in \$7.78bm from \$6.94bm. The second quarter results lifted

net earnings were reduced by about

Lockheed to acquire Sanders in agreed bid

LOCKHEED, the US aerospace group, has emerged as the white knight in the takeover battle for Sanders Associates with an agreed \$1.2bn offer. Sanders, a defence cor, the integrated oil producer and operator of the first Alberta oil sands mining plant. Mr Robert Nixon, treasurer, said the Government took a highly nega-tive view of the investment, made

tor in the same sector.

Mr Lawrence Kitchen, Lockheed's chairman, said Sanders would form the nucleus of an elecministration after the 1979 energy crisis, but was forced to retain it. Independent advice is that the Suncor holding is worth between C\$67m and C\$169m (US\$63m to 122m) he said, against the C\$650m paid in 1961.

would form the nucleus of an electronics group at Lockheed, which has been hunting for acquisitions for some time.

We view the electronics capabilities of Sanders, when coupled with the differents but complementary

canabilities of Lockheed, as an excellent opportunity substantially to improve the growth and profitability of both companies in the coming years," he said. Sanders said the link with Lockbeed would "provide electronics group, with annual sales link with Lockheed would provide of \$888m, has been fighting an unwelcome bid from Loral, a competi- pertise in electronic warfare and

of major US companies which have been expanding into the electronics field. Its emergence as a wealthy white knight with the \$60-a share hid for Sanders is a blow for Loral

British institutions snap up Peugeot

BY KENNETH GOODING IN PARIS

PEUGEOT, the French motor group, revealed that 59 UK finan-cial institutions bought shares when Chrysler of the US recently sold a 12.5 per cent stake in the

French company.

Mr Jacques Calvet, Peugeot's chairman, noted that two institutions each bought 200,000 Peugeo+ shares, representing about 1.3 per ent of the capital.

Most of the Chrysler shareholding, worth about FFr 2bn (\$286m), was sold outside France so that the group's performance on the Paris bourse would not be affected. Mr Calvet said: "The operation went

He made it clear the group feels well protected from potential preda-tors because the Peugeot family owns about 30 per cent of the equi-

The Michelin tyre group holds 10 per cent and other "friends" have "a few per cent here and there," he

who had had their interests for more than two years continuously had double the votes.

Mr Calvet said the Peugeot fami-ly and Michelin shareholders did not take up the 1985 rights issue be-cause they decided small sharehold-

There was no question - barring some unforeseen emergency - o Peugeot having another rights is-1988 results in March next year, he

This would enable the management to show it had made good use of the money raised by the FFr 925m rights issue and FFr 960m bond issue with warrants in 1983 before asking for more capital.

Mr Calvet indicated that Peugeot or \$1.00 vould almost certainly pay its first dividend for several years in 1987.

All these Bonds have been sold. This announcement appears as a matter of record only.

NEW ISSUE

May 22, 1986



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The first interest payment will be made on 30th June, 1987 in respect of the period from 24th July, 1986 to 30th June, 1987. Subsequently interest will be payable annually in arrears on 30th June, commencing in 1988. Listing Particulars relating to the Bonds, the Issuer and the Guarantor are available in the statistical service of Extel Statistical Services Limited and copies may be obtained during usual business hours up to and including 15th July, 1986 from the Company Announcements Office of The Stock Exchange and up to and including 25th July, 1986 from:

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11th July, 1986

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Earnings rose by

30% - largely the result

of trading operations.

Following allocation of

the maximum permiss-

ible amount to the

general risk provision, net profit was fully

applied to increasing risk

Financial Highlights 1985

As of December 31, 1985, the balance sheet total of Badische Kommunale Landesbank International S.A., Luxembourg, was approximately DM 2.5 billion.

In its lending activities, the Bankfocusedon syndicated Eurocredit busi-

ness, short-term loans to German customers and trade financing for German exporters. The overall credit volume amounted to DM 1.2 billion.

Deposits from banks totalled DM 2.1 billion and

remained the most important source of funding.

1985 - Key Figures **Balance sheet total** 2,463 **Due from banks** 1,267 Securities 310 **Credit volume** 1,177 **Due to banks** 2,104 Capital

> coverage. The Bank's capital was DM 50 million. Total capital funds, including a subordinated loan, amounted to DM 142 million.

If you would like further information we would be pleased to send you our 1985 Annual Report.

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manufacturer of high-quality hosiery and knitwear

products.

AH ATKINS INDUSTRIAL HOLDINGS LTD., manufactures and markets a range of electronically controlled display systems.

The Group's declared objective is to generate growth in earnings per share both organically through the active development of its existing interests and, where appropriate, by further acquisition.

I am very pleased to be able to report record profit figures for the year. Trading in the first two months of the new year has started well. Bill Dawson, Chairman

FROM THE 1986 ANNUAL REPORT:

- Turnover £19m UP 36%
- Pre-tax profit £l.llm UP 255%
- Earnings per share 16.71p-UP 188%
- Total dividend 7p per share-UP 30% For a copy of the 1986 Annual Report, including a pictorial review of the Group's operations, write to: The Secretary, Atkins Brothers

(Hosiery) plc., Lower Bond Street, Hunckley Leicestershire.



Bank of India London Branch U.S.\$40,000,000

ble Floating Rate Certificates of Deposit due 1987 (Retractable at the option of the holder to 1986)

In accordance with the provisions of the above Certificates, notice is hereby given that for the 6 months from 9th July 1986 to 9th January 1987 (184 days), the Certificates will carry an interest rate of 7% per ansum,

The interest payable on the next interest payment date, 9th January 1987, in respect of each US\$500,000 Certificate, will be U.S.\$17,888.89

Lloyds Bank

NOTICE OF REDEMPTION US\$60.000.000 Industrias Penoles S.A. de C.V. Floating Rate Notes Due 1989

Notice is hereby given that pursuant to the conditions of the above Notes, Notice is hereby given that pursuant to the conditions of the above Notes, the Company will, at the option of the Noteholders, redeem, at a price equal to the principal amount together with accrued interest, on the next Interest Payment Date falling in October 1980. To exercise such option the Notes are to be deposited with any Paying Agent mentioned thereon between the dates 24th July, 1986 to 8th August, 1980.

Bankers Trust Company, London 11th July, 1986

INTL. COMPANIES & FINANCE

Deminex warns of loss if oil slump continues

extensive activities in the US. But,

company's managing director, not-

The worsening of the oil market

about \$10 per barrel.

exploration and production compa- around the world, in addition to its ny, has warned that it could plunge into the red for this year if the as Mr Hans-Martin Köpchen, the slump in world oil prices continues - in which case, according to Mr Ernst Hotz, its chief executive, "drastic measures" would become virtually unavoidable.

The grim scenario sketched out by Mr Hotz assumes that energy prices bump along at their present depressed level until autumn or ear-ly winter. He did not specify the exact shape of any corrective action, but hinted that one of the areas to but hinted that one of the areas to over soured to DM 1.65bn (\$756m) come under scrutiny might be the from only DM 740m in 1984, earn-

Deminex, which is 54 per cent owned by the Veba chemicals and energy conglomerate, is currently production rose 19 per cent to 3.7m tonnes, of which two thirds came

venture talks By Tom Burns in Madrid

FERRANTI IS negotiating a participation in a Spanish electronics company with the aim of transferring technology to manufacture semicustom chips.

The negotiations concern Piner Semi Conductors, a Barcelona-based company which is in financial difficulty and which will now be salvaged by public funds and restructured into a new company that will be linked to the British Ferranti group.

The likely outcome of initial talks will be the creation of a joint venture grouping the local authorities in Barcefora, the Industry Ministry in Madrid, a Spanish company called Serrano Semi

Ministry in Madrid, a Spanish company called Serrano Semi Conductores, which mainly markets imported electronics, and Ferranti.

Three months ago Piher suspended financing payments when it posted liabilities of Pta 2.2bm on assets of Pta 2.2bm. The Barcelona-based autonomous Catalan government is understood to he prepared to inject Pta 70bm to pared to inject Pta 70bn to finance a three-month feasi-hility strdy into the projected new company.

German link for **Dutch** publisher

Buchrmann-Tetterode. leading Dutch paper company.
is negotiating to take over
Ferdinand Flinsch. a West
German wholesaler of graphic

paper. Flinsch would strengthen Buehrmann-Tetterode's whole-sale activities in graphic Netherlands and Belgium. The German company employs 120 in three locations, Frank-furt, Stuttgart and Dusseldorf. Buehrmann-Tetterode de-clined to reveal a possible

purchase price or sales figure for Flinsch and would say only that the German concern was " middle size " and among the oldest in the industry.

DEMINEX, the West German oil involved in 62 exploration ventures from the North Sea and the rest from Egypt, the US, Indonesia, Syria and Canada. The immediate outlook has led

> ed, while costs in countries such as ploration expenditure for this year Egypt and Syria, at the equivalent by half from the originally planned of some \$4 per barrel were still "relatively favourable," opening up a Despite the current difficulties, new field in the North Sea was unwhich Mr Hotz admitted might perprofitable if oil prices remained at sist into 1987 or even 1988, Deminex is sticking to its basic task of help-

> ing West Germany, which has no major domestic oil fields nor any has already had a big impact on De-minex's results for 1985. While turnmajor league oil company of its own, to achieve a measure of control over its supplies. ings were halved to DM 87.4m from DM 133.9m a year before. Crude oil

At present, Deminex's exploration spending - DM 284m in 1985 - sing business with about 10 per cent is 45 per cent covered by the state. of the market.

Amev plans to expand US leasing

g.H

AMEV, the third-largest Dutch insurance company, plans to acquire Certified Furniture Leasing of Atlanta, Georgia, a division of National Service Industries, for \$20m. the group to slash its planned ex-

> The acquisition is aimed at bolstering Amev's furniture and office equipment leasing activities, which are carried out by General Furni-ture Leasing of Atlanta.

Amey's policy in North America is to allow wide latitude to the 10 operating companies, which include leasing, finance and venture canital. Amey will be the fourth-largest participant in the US furniture lea-

Rheinmetall expects sales boost Ferranti in Spanish chip BY RUPERT CORNWELL IN BONN LARGELY THANKS to its being primarily identified with its risks more satisfactorily.

acquisition of the Pierburg car components concern, Rheinmetall, the fast diversifying present and former executives engineering and arms group, is expecting to boost sales this expecting to about DM 2.8bn pear to about DM 2.8bn pointed out that whereas defence equipment accounted for 70 per cent of sales in the late 1970s—when those offences DM 200m.

This was announced by Mr Hans Brauner, chief executive. in his latest report on Rhein-metall's progress towards its goal of becoming a rounded high technology concern, in place of its traditional structure as an engineering group. heavily dependent on arms

Rheinmetall's discomfort at

tion had dropped to 37 per cent

in 1985.

If Pierburg was included, he declared, engineering activities generated 39 per cent of total sales, with the remaining 24 per cent in car components. This diversification not only under-lined Rheinmetall's ambitton of

As further proof of its intentions, Rheinmetall is also involved in the newly created "Technology Centre North" at Unterluess in the state of Lower Saxony, which it hopes will allow it to be a pace setter for high technology innovation in the civilian sector.

the civilian sector.
Earnings last year rose to DM 59.2m from DM 45.1m in 1985, as sales jumped 6.5 per cent to DM 2.1bn. The dividend however, stays at DM 7.50 per ordinary share and DM 8.50 per preference share. In the first six months turnover was up 5.5 per cent at DM 1.3bn. diversification not only under-lined Rheinmetall's ambition of becoming an all-round "tech-nology concern," it was also enabling the group to spread per cent at DM 1.3bn. New orders booked during that period reached DM 1.4bn, bringing the group's total outstanding order book to

) .



INTERIM STATEMENT \$ 000 ₹,000 2,796 3,096 3,075 Profit before taxation 413 Profit after taxation Profit/(loss) attributable to shareh Q08.0 Earnings per ordinary share

Extracts from the statement by the Chairman, Frank Sanderson.

1. Unaudited profit before tax for the period was 5647,000 (1985 – £413,000), showing a significant recovery from the 1985 full year outturn of £86,000.

2. Principal contributions were from private housebuilding, with nursing homes and property investment also showing profits.

home, sheltered housing and private housing fields.

4. Eight nursing homes have been or are being purchased. 5. All divisions are very active, both in the implementation of existing programmes and the analysis of additional projects.

The Chairman indicates significant growth in earnings for the future. Copies of the Interim Statement are available from:

The Secretary EGERTON TRUST PLC 1 Lonsdale Gardens, Tunbridge Wells, Kent TN1 1NU Telephone: Tunbridge Wells (0892) 46427.

All of these Securities have been sold. This announcement appears as a matter of record only.



Scandinavian Airlines System

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ENSKILDA SECURITIES EBC AMRO BANK NEDERLANDSCHE MIDDENSTANDSBANK N.V.

GENOSSENSCHAFTLICHE ZENTRALBANK AG NEDERLANDSE CREDIETBANK N.V.

NORDDEUTSCHE LANDESBANK PK CHRISTIANIA BANK (UK) WESTDEUTSCHE LANDESBANK

ORION ROYAL BANK RABOBANK NEDERLAND

July 1986

YAMAICHI INTERNATIONAL (EUROPE)

INTL. COMPANIES & FINANCE

Mitsubishi Heavy .

MITSUBISH Heavy Industries, the Japanese shipbuilding and engineering group, achieved a 64 per cent increase in concollidated net profits to Y66.36im (3413m) pronts to Two on the year to March 31, Sales were up 2.2 per cent to Y3,533bn from Y3,457hn, while profits per share rese to Y24.59 from Y315.79.

The company made clear that the main contributor to profits was the Y103.4bn-resulting from extraordinary kems, including the liquidation of substitutions stocks and send send the contributors of the contri

At the operating level, MHI continued to safer from the high value of the yen against other currencies since last autumn; operating income was down to X124.4bm from Y153.17bm a year earlier.

P153.17an a year earlier.
Profitability suffered especially in the motor vehicles division where exports form an especially high proportion of sales. The damage to earnings occurred despite an increase of 18.3 per cent in motor vehicles sales to Y1583bn during the period.

First-half rise in BIB profits

Bahrain International Bank (BIB) lifted net income to \$11.16m in the first half of 1986 from \$7.75m a year earlier, Reuter reports earlier, Reuter reports
Assets fell to \$282m en
June 26 from \$316m at end1985, but marketable securities rose to \$145m from
\$195m at year-end while
loans fell in the same period
to \$28m from \$33m. Customer
deposits rose to \$17m from
\$8m.

mainly from the good per-formance of the US bond market, but the bank expects earnings to return to normal

BIB forecasts profits for the full year well in excess of those for 1985, and expects to increase its dividend from the 6 per cent paid last year. Net income after provisions rose to \$14.08m for all of 1985 from \$11.02m in 1984.

Special Sharp drop in earnings gains lift for Brazil's biggest bank

BRADESCO, BRAZIL's largest before the currency reform, banking and financial services when it came to an abrupt half, congiomerate yesterday reported after-tax half-year profits shift in customers accounts of 1.54bn Cruzados (\$110m) a reduction of Cx 570m on its operations compared to the preceding six months.

The bank declined to offer of 45 per cent in real terms, account in the first year.

Comparative figures for the when compared to the last half operations compared to the preceding six months.

The bank declined to offer comparative figures for the same period last year however, following the February introduction of the Government's deindexation plan and the introduction of a new currency, the Cruzado.

But in dollar terms the outcome represents a substantial decline, with pre-tax profits felling from \$219m during the same period last year, to about \$150m for the six months just the light of inflation running at an ansmalised 500 per cent introduction of the amounted to case the stock Exchange Commission during the same period last year, to about \$150m for the six months just the light of inflation running at an ansmalised 500 per cent in real terms, for the last half year.

Price Waterhouse, the result ferred, instead, to take these items on to the profit and loss account in the first year.

Profits from loan operation fell by 35 per cent in real terms, to Cz 6.2nn but earnings from banking charges — heavily increased by many banks since the economic adjustment—rose by 351 per cent to Cz 777m.

Bradesco's investment bank-its reportits that it has not taken to recit operations was Cz 31.23bn.

The bank declined to offer the same period last year.

Dividends have been cut fell by 35 per cent in real terms, to Cz 6.2nn but earnings from banking charges — heavily increased by many banks since the economic adjustment—rose by 351 per cent to Cz 777m.

Bradesco's investment bank-ing activities produced after-tax profits of Cz 394m from holdings of Cz 10.16bn, a reduction of Cz 110m. The bank claimed that it was involved in nearly threequarters of all the profit same period last year.

Houston bank results improve

FIRST CITY Bankcorporation of Texas, the Houston-based multibank holding company which has been hit by the problems of the state's energy industry, has reported improved profits and lower loan losses in the second quarter following a \$232.4m loss in the first half of 1985, the company, whose lead bank is \$646m on March 31 and losses in the second quarter following a \$232.4m loss in the first half of 1985, the company, whose lead bank is \$646m on March 31 and improved profits and lower loan losses in the second quarter following a \$232.4m loss in the first half of 1985, the company assid the increase first three months of the year.

Net earnings in the latest quarter rose from \$14.6m or 31 cents a share to \$15.1m or 36 cents, although this includes a \$65.3m a year earlier. This cents, although this includes a \$65.3m a year earlier. This stook the loan loss reserve to \$15.1m gain from the sale of the bank's data processing subsidiary.

For the first six months of the bank incurred a mainly in the drilling and oil-field services sector, from \$526m in the second quarter of 1985.

Non-performing assets rose to \$671.9m at mid-year from company said the increase related "largely to loans that were put on our books in the 1979-81 era and were pushed into problem status by the state of the bank's data processing subsidiary.

Non-performing assets, rose to \$671.9m at mid-year from company, whose lead bank is \$646m on March 31 and \$513.2m in June 1985. The company said the increase related "largely to loans that took the loan loss reserve to \$45.3m a year earlier. This start processing subsidiary.

Total loans fell to \$10.6bn from \$11.6bn in mid-1985, while deposits slipped: to \$11.4bn from \$12.7bn.

Forest products boost Noranda

AN UPSWING in forest revenues little changed at products results in Canada and in aluminum smelting and were C\$48.2m or 21 cents a fabricating in the US belped share against a loss of C\$24.3m, to bring Noranda into the black on revenues of C\$1.82bn, also for the second quarter and first half of this year. The resource month results include a and manufacturing group has C\$26.5m gain on the sale of also been busy selling assets assets allowing for special this year reducing its debt burden by about C\$1bn

(US\$724m):

Noranda earned C\$26.5m

Comparising the forest products group (US\$724m):

Comparising the changed at markets for solid wood products, Metals profits were down because of lower zinc prices and strikes at several plants.

District the changed at markets for solid wood products, Metals profits were down because of lower zinc plants.

District the C\$1.82bn, also prices and strikes at several plants.

Elders Finance Group unit had bought the financial futures and options operations of Noranda's Rudolf Well (US\$724m):

Comparising the C\$26.5m gain on the sale of also been busy selling assets allowing for special this profits were captured to be a share against a loss of C\$24.3m, prices and strikes at several plants.

Noranda earned C\$26.8m or 12 cents a share in the second quarter against a loss of C\$14.4m a year earlier, on

tin stranger in the Chairman Frank Zancam

comprising mainly Noranda's

controlling interest in Mac

Millan Bloedel, posted a substantial improvement because (Liffe) will become Elders

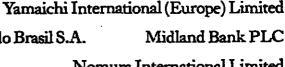
of rising pulp prices and better

Securities.

NORTH AMERICAN RESULTS

And the state of			Eliga Tallette Novel and Section
Second, Cherter	1996 \$	1985 5	WALGREEN
LT INDUSTRIES tomative, serospece p	parts .		Third quarter 1995-85 1984-85
renue t profits t per share ikk months venue t profits t per share	29.81 m 1.52 813m	35.21m 1.77 806m	Revenue
W JONES	·. ·		Net profits
Second quester	1985 \$	1985 S	
t per share	42.0m 0.43	265.5m 38.1m 0.39	
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Company Notices W. WARSZAWIE S.A.
Registered Offices
Trauguetta 7-9 Warszawa (Poland) FLOATING RATE NOTES 1979-1989 OF US\$1,000 Series including the 351 bonds which were drawn on the second drawing by the second draw ATOCHTORALIUM
ATSOCIETY GENERALE—PARIS
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Goldman Sachs International Corp.

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the United States. Offers and sales of the Securities in the United States or to United States nationals or

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(Incorporated in the Republic of Panama)

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In accordance with the provisions of the Notes, notice is hereby given that, for the three months period, 9th July, 1986 to 9th October, 1986, the Notes will bear interest at the rate of 10%s per cent. per annum. Coupon No. 7 will therefore be payable at the rate of £649.83 per coupon from 9th October, 1986.

> S.G. Warburg & Co. Ltd. Agent Bank

All of these securities having been sold, this announcement appears solely for purposes of information.

NEW ISSUE

June 23, 1986

The Standard Oil Company

37,500 Oil Indexed Units

Consisting of

\$300,000,000 6.30% Debentures Due 2001 \$37,500,000 Oil Indexed Notes Due 1990 \$37,500,000 Oil Indexed Notes Due 1992

The Debentures and Notes are being offered in Units, each of which consists of eight Debentures of \$1,000 principal amount each, one Oil Indexed Note Due 1990 and one Oil Indexed Note Due 1992 of \$1,000 principal amount each. The Debentures and Notes will be issued only in registered form and will not be separately transferable until after July 31, 1986, or such earlier date as may be determined by the Underwriters with the concurrence of the Company.

Lazard Frères & Co.

Brown Brothers Harriman & Co. NEW YORK BOSTON PHILADELPHIA CHICAGO ST. LOUIS LOS ANGELES DALLAS NAPLES LONDON PARIS ZURICH TOKYO GRAND CAYMAN GUERNSEY STATEMENT OF CONDITION, JUNE 30, 1986 34,474,089 213,584,217 115,000,000 Logns and Discounts..... 16,304,836 37,900,489 19,279,437 \$834,724,111 sis:.... 16,784,638 13.162.151 COMPLETE BANKING FACILITIES AND SIVESTMENT SERVICES int Advisory Service onal Financial Services

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\$2.24¹

. W. W. Comp.

THE MORTCAGE BANK AND PINANCIAL ADMINISTRATION KINGDOM OF DENMARK £50,000,000 Guaranteed Flo Rate Notes Due 1994 THE KINGDOM OF DENNARK

The First Boston Corporation

bond dealings meet in London today tode bate controversial investor protection measures. proposals to reform trading

The proposals come from a secondary market-makers comsecondary market-makers com-mitee formed under the aggis whether market makers should of the Association of International Bond Dealers (AIBD). They would establish a register of reporting dealers. The dealers would have to meet certain standards covering the number of issues they quote, the firms with which they are prepared of do business and discloseure of price and trade

data.
Some proponents see the rules as an attempt by market makers, who are a relatively small group within the much to abide by the rules on pain Especially controversial is a of expulsion. The rules would proposed stipulation that parties

The market - makers plans

have aroused opposition on several counts. Opinion is impose standards upon them-selves at all. Many dealers accept, however, that requirements for such basic things as trading hours and price report-ing would aid liquidity. This is

\$2,200bn turnover last year. Since most of the market makers are based in London, the new UK regulatory structure will in any case force larger AIBD membership, to them either to coperate with determine the way they do standards or to move abroad, business. In effect, they would form a club and force members surround the structure.

MORE THAN 100 firms making also help satisfy requirements to deals done through intermarkets in the secondary Euro-expected to be imposed by the dealer brokers would be identified to each other by the end of each day. There would also be a recognised list of inter-dealer brokers, who would then implicitly have to accept the

three years ago not to restrict the role of brokers.

Euromarket attracts US states

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

ments are turning attention to Samurai issue in Japan or an the international capital Ecu issue here in Europe or in markets as a source of funds the US." Proceeds of foreign because of provisions in the us." Proceeds of foreign currency issues could be new US tax bill. These will swapped into dollars at attracrestrict their access to tax exempt domestic funding, Mr exchange with European local Bill Cole, president of the National Association of State Treasurers, said in London baye not tapped the intervent

The tax change, coupled with increasing demands for services at a time of Federal Govern-ment spending cuts "requires the state governments to launched become more knowledgeable of he said.

examining the possibility of an issue as was the State of Mississippi, of which Mr Cole

Treasurers, said in London have not tapped the internayesterday. The tax change, coupled with infrequent indirect issues, for example by the Alaska Housing Finance Corporation which launched a \$100m bond in 1984,

the Euromarkets and the Japanese capital market," has states, which do not carry US sold.

Mr Cole expects state or local government entiries to start Mr Cole expects state or local government entities to start tapping the international markets within the next few months. Already the Triple A ratings, Mr Cole said, and since they normally only issue tax exempt debt in the U.S. it is hard to see where international issues should total as much as \$500m, while the State of Illinois was examining the possibility of all

'It's an unknown quantity, sue as was the State of I think it's going to require a fact-finding discussion, something of an educational job he stressed he was "n on the investor. The market, to make an offer or to "We have been examining if it developes will be limited any type of settlement."

rules.
This has resuscitated a long-

standing and emotional issue within the AIBD, of which the full membership narrowly voted

The committee has already shown itself to be flexible on generally seen as poor in many the precise obligations of sectors of the secondary Eurobond market despite its that all aspects of its proposals remain open to discussion today.

A proposal that each market maker would have to quote twoway prices in a quarter of each sector has bee ntoned down to a significant proportion of a sector. It was generally thought that this would reduce rather than enhance liquidity in some smaller sectors — which them-selves remain to be defined. See Men and Matters

US STATE and local govern- the possibility of both a to better-rated credits," he said. ments are turning attention to Samurai issue in Japan or an It was also not a foregone It was also not a foregone conclusion that state governments would tap the Euromarket for large amounts. Though the interest is growing—the State Treasurers Association has invited a panel of international investment.

investment bankers to its annual meeting in Missouri in November—much depends on the relative cost of the Euro-

"You need to find the best

and cheapest source of money,"

he said. In Mississippi's case, be said the state was considering an international issue of between \$50m and \$100m but the water could be muddied by the state's unresolved default, going back to 1841, on two foreign bond issues totalling \$7m and on which the UK Council of the Corporation of Foreign Bond-

holders is claiming a settlement. Mr Cole said he was due to meet Mr Michael Gough, the council's director yesterday for a fact-finding discussion, though he stressed he was "not here to make an offer or to explore

Moody's may lower Australia's debt rating

By Peter Montagnon,

AUSTRALIAN ISSUES suffered heavy losses in secondary Euro-bond market trading yesterday afternoon after Moody's, the US credit rating agency, announced it was considering downgrading the country's coveted triple A rating.

Commonwealth of Australia issues in the Eurodollar bond market were marked down by up to a full point in an initial flurry of selling, though the market later stabilised in thin and uncertain conditions.

Moody's said its review of Australia's rating was prompted by concern that the country's economic trends over the next decade, may be adverse.

It will focus on Australia's ability to generate foreign currency earnings at a time when its international competitiveness and terms of trade are deterio-rating, and when supply and demand trends for its primary commodity exports are also shifting unfavourably.

Industrial and labour market industrial and labour market rigidities are hampering a rapid restructuring of Australia's economy and higher external deficits could put pressure on the country's debt servicing capacity, it said.

Moody's announcement is the latest piece of bad news to hit a market already battered by last week's decision by Mr Paul Keating, Australian Treasurer, to impose a 10 per cent interest withholding tax on most Australian borrowing abroad.

Bankers said it will reinforce come up with quick and con-vincing measures to curb its budget deficit, which hit budget deficit, which hit
A\$5.70n (US\$3.6bn) in the
latest fiscal year. Such
measures are urgently needed
to restore confidence to the
foreign exchange and capital
markets, they said.
Additional budget cuts are
vital to reduce the country's
soaring balance of payments
deficit, they argue. The current

deficit, they argue. The current account shortfall was A\$12bn

account shortfall was A\$120n in the first nine months of the fiscal year to June 30.

Moody's concern is not, however, shared by Standard & Poors, the other main US rating agency. It said: "We're still comfortable with the triple A rating we have on Australia."

£50,000,000

... This announcement appears as a matter of record only.



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Japanese dominate fixed-rate sector

fixed-rate Eurobonds surfaced. Since European demand for fixed-rate deals is very weak, and the Japanese are seemingly the only reliable buyers, new issues for Japanese borrowers

The first deal to surface was for Nippon Credit Bank, led by its London subsidiary in its first lead-management role. Dealers said that Nippon Credit Bank International had set the terms on the \$100m 8 per cent sevenyear deal at realistic levels, and the bond traded at 994 on the bid side, as against a 101 issue

Chase Manhattan's \$100m seven-year offering for Creditanseven-year offering for Creditan-stalt, the partly-state-owned Austrian bank, had identical terms to those of Nippon Credit Bank. Dealers were less enthu-siastic, however, since the bond could not rely for support on Japanese buying to the same extent as Nippon Credit's deal

Yesterday's sterling deals were for Kyushu Electric Power, which has swapped pro-ceeds into yen, and the Halifax Building Society.

Kyushu's seven-year £50m 9‡ backed paper.

Per cent bond, priced at 101‡, had been partially pre-placed in Japan, lead manager Warburg Securities said. The bond was quoted at discounts to issue a nearth of hye-year state-backed paper.

Morgan Guaranty also launched for Den Norske Credit-bank an issue of three-year warrants on their own into a 10-year 8‡ per cent non-callable

ISSUES of fixed-rate Eurobonds price near the level of its total resumed yesterday, and three fees. This was despite a down which can be exercised into a gradual to the fees. This was despite a down which can be exercised into a gradual to the fees. This was despite a down which can be exercised into a gradual to the fees. This was despite a down which can be exercised into a gradual to the fees. This was despite a down which can be exercised into a gradual to the fees. This was despite a down which can be exercised into a gradual to the fees. This was despite a down which can be exercised into a gradual to the fees. This was despite a down which can be exercised into a gradual to the fees. This was despite a down which can be exercised into a gradual to the fees. This was despite a down which can be exercised into a gradual to the fees. This was despite a down which can be exercised into a gradual to the fees. This was despite a down which can be exercised into a gradual to the fees. This was despite a down which can be exercised into a gradual to the fees. This was despite a down which can be exercised into a gradual to the fees. This was despite a down which can be exercised into a gradual to the fees. This was despite a down which can be exercised into a gradual to the fees. This was despited to the fees of the f following a rumour that Saudi Arabia would withdraw from Opec, heightening worries about

In contrast to Kyushu's deal. Morgan Grenfell's seven-year £100m deal for Halifax Building Society seemed to have a bumpy ride. Its pricing looked fairly aggressive when compared with a recent five-year 9½ per cent deal for the Alliance and Leicester, which was received with little enthusiasm by the market. Morgan Grenfell, however.

said it believed demand for building society paper was still strong enough to support Halifax's 94 per cent coupon and 1001 issue price terms.

Morgan Guaranty launched a 5100m five-year 71 per cent bond for Cepme, the French stat eagency that lends to small businesses. The deal was priced at 1011 to give a spread over US Treasury bonds net of fees of 35 basis points at launch. Some dealers thought these terms aggressive, although Morgan Guaranty said that demand was resonable because of a dearth of five-year state-

warrants were offered to the market at around \$24. Daiwa Europe issued a \$50m

five-year equity warrants bond for Yakult Honsha, the Japanese manufacturer of lactic milk-based products. The coupon was indicated at 23 per cent and price at no. cent and price at par. Terms will be set on July 17.

The D-Mark market saw prices rise slightly but turnover

DeutscheBank launched a zero-coupon bond for Otto International Finance, the has coupons of by per cent and ternational Finance, the has c issue since the borrower's name

issue since the borrower's name is almos tunknown outside West Germany, and West German investors are not generally buyers of zero-coupon bonds.

The DM 200m 15-year bond was priced at 38.88 to give a 6.5 per cent yield. Quotes in the market were in the region of 35.88 on the bid side.

The Swiss franc market

35.88 on the bid side.

The Swiss franc market traded weakly, and prices were basically unchanged. Swiss Bank Corporation set the terms on a recent deal for African Development.

Bank. The a dearth of five-year state-backed paper.

Morgan Guaranty also launched for Den Norske Creditbank an issue of three-year warrants on their own into a 10-year 8½ per cent non-callable

coupons of 5; per cent. The issue for the parent was for SFr 80m, while for the offshoot it was SFr 50m.

In the French franc market, Banque Paribas launched a seven year equity warrants bond for Group Bruxelles Lambert The FFr 600m bond had a coupon of 82 per cent and price

Algemene Bank Nederland launched a FI 250m public bond for Denmark. The 10-year bond has coupons of 64 per cent and

Credit Suisse and Swiss Bank Corporation have set fees on short-dated public bonds for supernational borrowers at levels of # per cent lower than those for other borrowers, but not at † per cent below for sovereign borrowers, as was stated in Wednesday's Financial Times.

Consolidated Stores, a Columbus, Ohio-based retail chain, is making a global share offering of 5m shares of w/ch on a recent deal for African
Development Bank. The
coupon on the SFr 100m 10-year
bond was set at 5½ per cent, as
had been indicated.
Union Bank of Switzerland
brought two deals for Yamato
Kogyo, the Japanese steel
offering of 5m shares of w'/ch
Im are being distributed in
Europe by Merrill Lynch
Capital Markets, The total sale
is worth \$92.5m at yesterday's
price of \$13½, and the offering
price will be fixed in the week
beginning July 28.

Foreign banks bolster German bond issue

BY OUR EUROMARKETS STAFF

would prove too weak to support its DM 4bn volume.

The bond's size is thought to have been increased from the normal DM 3bn as a con-cession to domestic banks, who

ment's first bond issue since foreign banks have been admission of the 19 foreign banks, who yesterday took up consortium was launched yesterday mid worries that both foreign and domestic demand interest in Federal bonds have anything and domestic demand dividled so that recently than dwindled so that recently they have been supporting Federal issues by soaking up bonds that the weaker members of the domestic consortium have been

unable to place.

The holiday season, and the

paper issued by individual West German states, have recently combined to reduce domestic combined to reduce domestic interest to negligible levels. Since foreign interest is also increasingly unreliable, foreign bankers argue that the Federal Government might have been wiser to limit the issue size to the normal DM 3bn and reduce country.

quotas.
Although the 40-year bond's

THE WEST German govern- feared their underwriting higher returns available on widely viewed as fair, dealers ment's first bond issue since quotas would be eroded by the paper issued by individual West reported sluggish demand yesternia been admission of the 19 foreign German states, have recently terday. Bid prices of between 98; and 98's were quoted.

Both a German subsidiary of a US house and a German bank said that they expected sales to be very slow. A subsidiary of a Swiss-based bank, however, said its underwriting allotment could be placed with Swiss investors without difficulty.

DM 3.2bn of the issue is avail-

terms, a 51 per cent coupon and able now, with the balance 991 per cent issue price, were retained for market operations.

FT INTERNATIONAL BOND SERVICE Lending growth Listed are the 200 latest international bonds for which there is an adequate secondary market. focused mainly on short term

THE STRONG expansion of international bank lending in the second half of last year was heavily concentrated in the short term with, on balance, no growth in business with maturities of over two national Settlements reports.

materity distribution of interthat loans extended by banks the main industrial countries to countries outside the reporting area grew by \$19.5bn during the second half of last year after adjustment for exchange rate

Its latest statistics on the

But the heavy concentra-tion of short-term lending pushed up the share of loans maturing in less than two years to 43.7 per cent of all atstanding claims, compared

The bulk of new lending during the second half of last year was due to operations in the interbank market. The share of direct claims on the private non-bank sector fell by nearly 2 per cent to 27.8 per cent of all outstanding claims, the BIS says. There was also a strong expansion of undisbursed credit commitments which rose by \$8.3hn, or from 15.7 to 16 per cent of outstanding

FINANCIAL TIMES FUTURE OF WORK Publication Date: Thursday July 24 Copy Date: Tuesday July 8 The Financial Times will nov publish this Survey on the above date. The provisional editorial synopsis is set out Introduction

Macro-Economic Issues 3 The Politics of

Employment

Corporate Studies Role of Governments 6 Conclusion Editorial Information

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Self

Prospects for investment

years by national greet, hyperindation, overlooking, and the immaturity of the local constitutional system could come of age in the next few years according to Richard Ellis's man in Sao Paulo, Tony McVetth

McVeign.

This decade will witness the transformation of Brazil's commercial property investment, market from a private investor/owner-occupier base to an institutional market," he said in London this week. "It will radically after the quality of properties—I hope for the better."

time iver, major involvement by the interantional banking com-munity, largely due to the method by which Brazil rescheduled its international debt. He expects to see, for the first

essentially, he said, in 1982 Brazil's central bank took control of all foreign debt, whether public or private and is making repayments according to its own schedule, leaving many international banks with, effectively, hundreds of mililous of dollars lodged with the central bank at

"They could leave it with They could leave it with the central bank, or make the famous debt to equity switch," says Mr McVeigh. One of the most easily understood ways of achieving the latter, he notes, is through investment in real

"I believe, consequently,

SSUE

ens dans ense et en en en Ganda en gen er

on the evolution of the insti-tutional market. In 1978, says Mr McVeigh, legislation was enacted in Brazil giving birth to registered pension funds.

The first thing the parent companies of the funds did, he said, was to shift over from their own balance sheets various properties to become the assets of the pension funds—effecting sale and leaseback transactions almost invariably on the basis of a nominal initial monthly return of one per cent.

The monthly basis was because inflation was running at 100 per cent a year, or six per cent per month compound. Unfortunately the leases got their fortunately the leases got their monetary corrections on a sixmonth or annual basis. Mr McVeigh calculates that the real return to the funds was around nine per cent, or 7½ per cent respectively—falling as inflation rose to between six and 7½ per cent on average in the early years.

early years. early years.

In those years, he says, the funds made no investment market in property. "It was all in-house." However, he observes, in 1983 they started acquiring property rented to third parties; in 1984 this trend was confirmed by several transactions involving different needed funds. ving different pension funds. "In 1984, also," he says, "it became clear that the funds' preference was for modern office property with the

that in 1987 some of them will occasional acquisition of part-get involved in the property interests in shopping centres." business," he says.

He says that there are rela-

business," he says.

The next line of argument is on the evolution of the institutional market. In 1978, says that there are relatively few investment grade office properties in Brazil. Since tutional market. In 1978, says that there are relatively few investment grade office properties in Brazil. Since tutional market line is been 408 office blocks of more than 1,000 sq metres built in Sao.

Paulo of which 17, in their opinion, are of institutional investment quality.

However, Mr McVeigh argues that it is the nature of pension that it is the nature of pension funds, the world over to stimulate the quality of office buildings—improving in general the specifications and layouts, whatever reservations he might have about auchitectural quality.

Samming up, he sees banks joining pension funds in the property market. "In a couple of vegits" time, we could see

of years time, we could see the market underpinned by two different types of institutional investor." he concludes.

Meanwhile, Ellis is still tap-ping the private investment market, with the sale of a fur-ther office investment building in the Sao Paulo Office Park. It acted on behalf of: Arbi, representing Brazilian livewire Rafael Birmann; Brascrow, which involves US developers Tranmell Crow; and Crefisul, the investment banking offshoot

The 3,200 sq metre building is occupied by Poliolefinas, a Brazilian company whose major shareholders are National Distillers of the US and the Brazilian oil company, Petro-

LET goes shopping on Reading site

LONDON and Edinburgh Trust

100,000 sq ft of offices under this week dismissed suggestions construction in phase one of the that its change of plan for the Courage Brewery site at Reading — chopping the office pletiron next January.

element back, and bringing in a major retail scheme—were in existing planning situation is Courage Brewery site at Read-ing — chopping the office element back, and bringing in a major retail scheme—were in any way a reaction to proposed changes in planning law.

Revisions in use class legislation, now approved at Government level, would make it easier to have; campus offices on the periphery of congested towns like Reading, which is admirably served by the M4, and relieve the pressure for office development in the centre.

LET director John Newman said that the company had been working on its retail plan for the site for the past 18 months — with ideas in mind before — with fleas in limit before that," it acquired the site from Courage in April of last year and it had been talking to Reading council about the retail scheme for nine mouths.

It had to. LET is not only changing, but expanding its scheme, and proposing to expand the site to eight acres. Not all of the land is in the company's ownership; other major landowners include the local authority, and John Lewis.

LET aplied on Monday for outline planning permission for 350,000 sq ft of shops, arcades, housing and leisure facilities, in ddition to 60,000 sq ft offices. The company already has

existing planning situation is consent "in principle" for another 230,000 sq ft of offices. However, the company says that its new plan is possibly Read-ing's last chance to take pole position in the Thames Valley retailing field.

LET sees the Courage sits as an effective extension of Reading's prime retailing pitch on Broad Street. It acknowledges the congestion in the town centre, but says that its new plans would add 1,100 new car parking spaces to the existing provision, making 1,800 in total on this site alone.

Local, professional reaction to the new scheme tends to be fav-ourable. Reading, located 40 miles west of central London, has been a choice location for decentralised offices; and it is paying the price in rush hour traffic jams in and out of town. Shopping, in theory, would produce a different traffic pattern.

There is an existing covered shopping centre, The Butts, which is a long-term candidate for refurbishment. But it is off-pitch, say local observers, and no real competition for the LET scheme.

Hotels proposition by JLW

directly.

In their latest occasional paper, JLW examine the Central London luxury hotel market up to the end of 1985, and suggest a way of minimising its investment drawbacks.

They have drawn up a model proposition which recognises that the return on an hotel investment is dependent on both the real estate and the management.

They suggest allowing the hotel operator to retain a limited interest in the hotel; the investor would get a suitable basic return on the investment in the real estate element, with a top up rent computed on the profitability of the operation.

The firm notes, by the by, The firm notes, by the by, arguments that the current hotel market is "dangerously overpriced;" that purchase yields which had varied from 13 to 25 per cent over the last 15 years dropped to 10.4 per cent in 1984 and to single digits in 1985.

Despite this, and fewer American visitors in 1986, they believe that the industry now has a strong base.

Prime Frankfurt site acquired

FIFTEEN YEARS in Europe Stephen Cotton is now based in London as a consultant to George Trollope & Sons but he still gets 70 per cent of his business from the Continent.

Continent.

"Proof of the pudding," as be puts it, is the Bayerische Vereinsbank acquisition for around DM 80m (£24m) of a 5,580 sq m development site at Mainzer Landstrasse 23 in Frankfurt's prime banking district from Mainzerland BV, a Dutch investment company.

The site was originally out The site was originally put together by Gabriel Harrison's AIP in the boom years of the early 1970s. Planning permission has recently been obtained for a headquarters banking building in excess of 25,000 sq metres (270,000 sq

George Trollope & Sons, and Frankfurt agents Metro-pol advised the Bayerische Vereinsbank on the acquisi-

● Three institutions — Friends' Provident Life Office, Royal Trust Company of Canada and United Gulfand the Department of Trade and Industry have funded a revolutionary new database run by Michael Nicholson, a chartered surveyor and former partner of Knight Frank & Rutley.

No index merchant, Mr Nicholson aims through his Focus service to provide a

single reference point for published information about commercial property in the UK—from sources like the press, company reports, mortgage debenture stock trust deeds, and so on.

"We make no value judg-ments at all," he said at yes-terday's London launch. Sub-scribers at the time of launch number about 40. Focus is published by "Factor Launch published by Property Intelli-gence at Ingrams House, 13-15 John Adam Street, London WC2N 6LD (tel: 01-839 7684). Debenham Tewson & Chin-nocks note that bank advances to property companies were only £44m in the three months only £44m in the three months to May compared with £1.5hn in the year to February. They say that foreign banks are now the major force in property loans; and that a net repayment of nearly £200m over the last quarter to the overseas banks may reflect the very successful letting record in Central London, and the innovative refinancing of the innovative refinancing of short term development loans

short term development loans on some of the City of London's major developments.

Hunting Gate's 189,000 sq ft Keywest development on the Southern Industrial Estate, Bracknell, not a favourite of local observers, has been let to Dorothy Perkins, a subsidiary of the Burton Group, for a new UK distri-Group, for a new UK distri-bution centre.

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Inmos provision scars Thorn EMI's performance

Thorn EMI's shares rose 20p to 487p yesterday following the announcement of higher than expected pre-tax profits of £104.7m, compared to £108.3m, for 1985-86.

However, after extraordinary items of £61m, tax and minority interests attributable profits were just £400,000, against a previous £37.8m.

The dividend total is being held at 17.5p net, the final being a same again 12.5p. Earnings amounted to 26.5p (29.9p). Turnover for the year ended March 31 rose slightly to £3.3bn from £3.2bn despite a number

of disposals.

Inmos, Thorn EMI's highly semiconductor problematical semiconductor subsidiary, accounted £45m of the extraordinary items follow-ing substantial write-downs on its plant in Colorado Springs US where the group made 500 people redundant yesterday. Sir Graham Wilkins, the chairman and chief executive who took control last year when

Thorn EMI got into serious difficulties, said in his statement to shareholders: considerable change in your company which is now struc-tured into four main business sectors. I am pleased to report that the prospect for improved profitability in each of these sectors is now much brighter. "As evidence of this trading

profit in the second half of the year showed an increase of £10m over the corresponding period in the previous year despite our problems with

"Because of changes made in the business, the underlying cial division made a £29.3m trading performance is in profit on sales of £1.05bn comreality at a rather higher rate."

Although Thorn EMI had £1.01bn.

PRE-TAX profits at Microsystems Group, which joined the USM in January, jumped 87 per cent from £806,000 to £1.13m in the half year ended April 25 1828

Turnover of the group, which

With first-half earnings per 10p share up from 3.5p to 6.49p,

there is a first interim dividend

the further growth of the com-

ber of opportunities and these, ducts for bot if fruitful, should contribute to seas markets.

meters and other electronic products, leapt 93 per cent to standing, with substantial controls 12 months ended October 1985, Microsystems made £1.4m profits on £7.55m turnover.

Mr C. M. Wilson, the chairman, said yesterday that the stantial investments in the further development of new pro-



Mr Colin Southgate, the managing director of Thorn EMI. pictured yesterday at the time of the profits an

After job cuts and restruc-turing inmos was expected to break even if it can achieve a small increase in sales.

As a result of losses at Inmos the technology division's profits fell to £13.4m on sales of £852m compared to £39.7m on sales of £831m last year.

Thorn EMI said that Ferguson, the television manufactur-ing subsidiary which was one of its previous problems, was now trading profitably after job losses of about 1,000 and a major reorganisation of its two factories.

The consumer and commer-

of the flotation, the group had achieved a very substantial inflow of funds and was therefore, "in a very healthy cash position," Mr Wilson said.

The chairman said the por-formance of the Wayfarer ticket

particularly London Regional Transport. Trials of the new magnetic validator system were due to begin in the autumn and

if successful, should result in significant orders.

ther development of new pro-ducts for both home and over-

had received instruction from this product.

Microsystems surges by 87%

even last year it in fact made a business took longer to solve £25m loss. Losses have been than expected mainly because continuing at a similar rate this of difficulties in the US. However, the UK market had been weak with a lack of any best-

> The retail and rental business was easily Thorn EMT's most profitable division. It made profits of £97.6m on sales of £885.3m compared with £86.6m and £831.9m last year. HMV shops had a particularly good year and expanded in the UK and Denmark. The group also reported a strong perform-ance from its large TV and video rebtal chains.
>
> At year-end group net borrowings after deducting liquid funds amounted to £337.3m

(£356.6m). During the 12 months the

number of employees was reduced by 8,870 to 80,484.

2,700 Wayfarer HS350 high speed electronic ticket machines

for use on one-man-operated buses. The equipment was for delivery later this year and throughout 1987 and was valued

lowed on from the earlier order for equipment valued at some £1.5m, for delivery later this

UK had been established.

The new Sheriff Plus Taximeter had been successfully in-

troduced, although it was too early to assess its impact on the

market. Steps were being taken

Sales of microtime products had continued to grow at a good rate overseas, while re-cently a direct sales team in the

at about £2.4m.

More recently the company to develop overseas markets for

SimplyCity

According to Aitken's reis an exceptional charge of £1.68m comprising the cost of "significant management port and accounts 1986, there "significant management changes." The firm's accountants are Deloitte Haskins &

Aitken's former directors under fire

Aitken Hume, the troubled financial services group facing a hostile £39m bid from Tranwood, a shell company headed by Mr Nicholas Oppenheim.

Timothy Aitken.

The disclosures are doubly embarrassing because Mr Aitken is chairman of TV-am,

£42,3m.
Mr Constance made number of what he said are well-documented allegations about management at Aitken Hume in 1985-86, answering previous criticism by Tran-

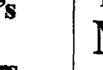
Under the previous finance director (Mr Michael Scorey), no reconciliations were car-

• The dividend forecast for the year to March 31 1986,

On the property side, a new valuation produced by Chestertons and by Chestertons USA shows a market value of £14.3m at March 31 1986 compared to a book value of £17.7m.

Mr Constance said yester-day that he justified the dis-closures in order to show shareholders that a new management had been in-stalled at Aitken Hume which

Mr Timothy Aitken, who secured a £375,000 golden handshake when he left the company, was unavailable for comment last night at TV-am. Mr Constance rejected Suggestions that the new Aitken management might try to claw hack the compensation sum, but he said that some £80,000 had still to be paid to Mr



By Lionel Barber

MORE skeletons came tum-bling out of the closet at

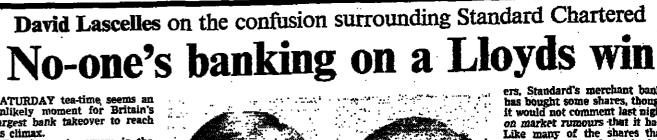
in a second defence document sent to shareholders, Aitken Hume's new group chief executive Mr Tony mismanagement by the pre-vious directors headed by the sted chief executive Mr

pany which is currently engaged in a £14m share issue, valued the business at

ried out between clients' statements and bank and

prepared by previous man-agement, did not reflect the roblems which came to light after their removal.

was determined to sort out problems.



SATURDAY tea-time seems an unlikely moment for Britain's largest bank takeover to reach

But 5 pm tomorrow is the deadline under the Takeover Code when Lloyds Bank must announce whether it has won or lost its £1.3bn bid for the Standard Chartered Bank.

Only a week ago, the City was predicting a clear-cut victory for Lloyds. But the contest has been thrown into total confusion in the last couple of days by the arrival of some wellheeled Far Eastern allies who have acquired about 20 per cent of Standard's shares. This caused Standard's share

price to plunge sharply on the Stock Exchange yesterday as investors began to think it might be enough to block the bid.

However, brokers also reported a fair was a same and a same a

reported a fair measure of institutional support for Lloyds' offer, and no one was quite sure what the oriental investors were

what the oriental investors were up to.

The leading ones are Sir Y. K. Pao, the Hong Kong shipping magnate, who ended up yesterday with nearly ten per cent, and Tan Sri Khoo, the Malaysian businessman who disclosed just over five per cent.

Many smaller Far Eastern investors are also believed to investors are also believed to have rallied to the support of a bank which has operated in their region for over a century, and whose favour they might wish to curry.

By the time another 1.25 per

cent owned by Liberty Life, Standard's ally in South Africa, is included Standard could probably count by last night on over 20 per cent of its shares being cast against the bid.

But the puzzling question was

why the Far Easterners should try to mount a blocking operation which, if it succeeds, would land them with substan-tial losses as Standard's share minds. Many of those contacted



Bank chief executives: Mr Michael McWilliam (left) Standard Chartered and Mr Brian Pitman of Lloyds.

"These people do not do that yesterday said they had not yet kind of favour." yesterday said they had not yet decided—or if they had, were Theories coursing round the markets yesterday included the possibility that the investors intended to announce a counter-bid today which would be a prelude to break-up of Standard. The investors could then gain control of its largest components in Hong Kong and Singapore.

Less far-fetched, perhaps, they might be seeking places on Standard's board, or even actually intending to offer their shares to Lloyds at a small profit if it wine. if it wins. That they might be acting in

support of Standard's argument that it will do better as an independent bank did not seem very plausible because it could be some time before Standard's share price reaches the levels at which they bought over the last two days. over the last two days.

The confusion has made it no easier for other institutional investors to make up their

decided—or if they had, were not prepared to say how they intended to vote. None of them, though, have large holdings. The Pru, with about three per cent, is among the biggest. Sir Julian Hodge, the former chairman of the Commercial Bank of Wales, has a small holding, and individuals hold between 10 and 15 per cent of the shares in total. Yesterday, Lloyds Bank itself also became a shareholder, pick-

and became a state botter, became ing up some shares which, when added t othose already owned by its staff pension fund, bring it to 4.9 per cent.

Lloyds would probably have bought more but for US bank law which prevents a bank from owning over 5 per cent of another one without permission from the authorities—which Lloyds has not yet had. (Stan-dard Chartered owns Union Bank, one of California's largest banks).

It is also possible that Shrod-

ment gain and the same agair

market for production sailing boats took their toll. The

strategy for the current year is

to profit from the increasing

popularity of power boats by extending the product range in that direction, while continuing

has bought some shares, though it would not comment last night on market rumours that it had Like many of the shares that have changed hands in the last couple of days, they were probably loose institutional holdings. If Schröders has gone into the market, it would have to do so on its own account since Standard could not indemnify it against any losses incurred

in buying its own shares. This suggests that Schröders can only have bought a small amount, possibly calculating that if it does make a loss, it will have earned more than that in goodwill from a grateful client.

The flurry of the last two days has diverted attention from the fundamental arguments over the bid, which both sides were still trying to re-hearse yesterday in last -minute meetings with institutions and the media.

But even supposing Standard does now succeed in repelling Lloyds, the events of the last couple of days twill have drama-tically changed the aftermath. Sir Y. K. Pao and Tan Sri Khoo would have to be offered places on the board of the bank and would be restless share and would be resulted an archolders so long as they were still carrying a loss on their investment—which would put a lot of pressure on management to pep up Standard's perform

Their presence would increase the likelihood that Standard would go ahead with its plan to hive off major stakes in various parts of the group, like the banking operations in Hong Kong, Singapore and California. This would then give its new investors a chance to acquire important and direct intersets in these operations which are in many cases the dominant financial institutions in their

Lewmar advances by £700,000

IN A YEAR of growth and con- accounts.

The company makes and distributes sophisticated equipment for racing and cruising yachs and came to the USM a

grow further.

Results for the year ended static market for production February 28 1986 were shown sailing boats, demand for large as if the subsidiaries, which custom and racing boats conwere under common manage-timed to grow. This allows

IN A YEAR of growth and consolidation, Lewmar showed a near £500,000 increase in profit turnover of £18.1m (£14.8m). to £3.3m. Adding this time a £207,000 exceptional gain brought the pre-tax profit up from £2.82m to £3.52m.

The company makes and distributes sophisticated equipment for region and graticing is 15.1m.

ment gain and the same again for interest on the proceeds from last July's flotation, and the figure falls roughly into line with the rather sluggish turnover growth. It should have done better, for forward buying protected profits from the loss of £500,000 at the turnover level caused by the adverse effect of exchange rates, but stock write-offs and the sluggish market for production salling The extraordinary charge yachs and came to the USM a year ago. Over the last few was a result of legal expenses months it completed a reorganisation into three products divisions and chairman Mr John of the company's US winch Burton said the directors believed they had built an outstanding position from which to grow further.

The extraordinary charge was a result of legal expenses incurred in defending the incurred in defending the company's US winch patents, together with an estimate of future costs in connection with an appeal.

Mr Burton said despite a

were under common management for the entire year, were us to take advantage of our
also owned by Lewmar for the
period. Reflecting the earnings

At the year end the group period. Reflecting the earnings of the subsidiaries subsequent had cash or the equivalent of to the date Lewmar acquired £3.8m, net of US borrowings, the shares, the pre-tax profit for which put the group in a the year came to £3m, and that strong position to achieve the would be shown in the full planned growth,

products in the hope of reaping gains from the growth in demand for custom-built boats. demand for custom-out; oosts. The shares, unchanged at 117p, have had a poor year relative to the All-Share and seem unlikely to perform until Lewmar puts its cash pile to use in making some convincing

Recovery at Stoddard quickens—£1.5m sale

THE RATE of profit improvement at Stoddard Holdings, carpet making group, gathered pace, with the pre-tax profit for the year ended March 31 1986 reaching £369,000. compared with a loss of £559,000. The sixth successive year no dividend will be paid. But subject to the improvement in profitability being maintained, the directors will review the dividend position at the end of the current year. Sales for the first quarter were close to plan and generally ahead of last year. and generally ahead of last year.
Despite the absence of growth
in the UK carpet market over

the past three years, Stoddard completed the recovery programme started in summer 1983, and results were in line

recovery principally to a policy of margin improvement and

Turnover for the year rose from £33.37m to £37.14m and operating profit from £139,000 to £1.19m. Finance charges were up to £817.000 (£698,000).
Some of those benefits, which

were mainly in the woven and premium tufted carpets part of the operation, were offset by disappointing results at the lower end of the market. Over-all, however, the operating margin grew from virtual break-even to over 3 per cent of sales.

ally agreed to sell Kingsmead Carpets to Richards for around £1.5m cash, subject to Richards' with plan. shareholders approval. The The directors attributed the directors considered this would devote attention entirely to elimination of unprofitable pro-ducts, an aggressive marketing offering maximum profitability and promotion programme, and and opportunity.

Interest costs trim Batleys back to £1.73m per cent pre-tax profits growth is more than respectable, but knock off the £207,000 invest-Batleys, the Huddersfield

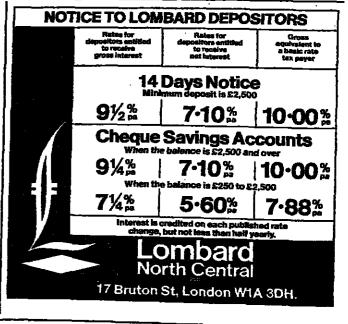
based cash and carry wholesaler, raised its 1985-86 turnover by £26.57m to £201.76m but saw its profits fall from £2m to £1.73m at the pre-tax level. Earnings for the 52 weeks to April 26 1986, came through at 8.32p (8.61p) and a final divi-dend of 1.7p lifts the net total from an adjusted 2.1p to 2.2p.

Operating profits amounted to \$1.94m (£1.86m) but there was an interest debit this time of £201,000, compared with a previous credit of £139,000.

Tax accounted for £489,000 (£716,000) and left attributable earnings at £1.19m (£1.23m). First half profits fell by £195,000 following the start-up costs of the new Manchester

> LADBROKE INDEX 1,334 - 1,344 (+4) Based on FT Index Tel: 01-427 4411

> > Telephone 01-621 1212



PRIESKA COPPER MINES (PROPRIETARY) LIMITED (Incorporated in the Republic of South Africa)

Reg. No. 68/03032/07

Declaration of Final Ordinary Dividend No. 6 The following dividend has been declared for the year ended 30 June

Final ordinary dividend No. 6 of 30 cents per ordinary share. The dividend has been declared payable to members registered in the books of the Company at the close of business on Friday, 25 July 1986.

The dividend is payable subject to conditions which can be inspected at the registered office of the Company. Warrants in payment of the dividend will be posted on or about

By Order of the Board Anglovaal Limited Secretaries per: E. J. Thomas

Registered Office: Anglovaal House 56 Main Street (P.O. Box 62379

10 July 1986 Directors: D. J. Crowet (Chairman), R. P. Fittonti, B. E. Hersov D.M.S., R. L. L'Esperancett, Clive S. Monell, D. J. Pedneaulttit, D, M. Pogsanti, R. A. D. Wilson.

Alternate Directors: W. W. Malan, D. A. Blaine, A. J. Brink, M. D. Henson tBritish t†American †††Cenedien

Granville & Co. Limited Member of The National Association of Security Dealers and Investment Managers

8 Lovat Lane London EC3R 8BP

Company

118 Ass. Brit. Ind. Ord.

121 Ass. Brit. Ind. Ord.

121 Ass. Brit. Ind. Cut.S.

123 Araprung Group

28 Armitage and Rhodes.

108 Bardon Hill

129 Erry Technologies

27 CcL Ordinary

28 CCL 11pc Conv. Pt.

29 Carborundum Ord.

20 Carborundum Ord.

21 Carborundum Ord.

22 Deborah Services

22 Frederick Parker Group

23 Carborundum Ord.

24 Deborah Services

25 Frederick Parker Group

26 Isis Group

155 Isis Group

128 James Burrough

229 James Burrough

229 James Burrough

229 James Burrough

25 John Howard and Co.

260 Minibouse Holding NV 1

260 Record Ridgway Ord.

27 Robert Jenkins

28 Record Ridgway Ord.

29 Servitone "A"

26 Torday and Cartiele

27 Torday and Cartiele

27 Torday and Cartiele

28 Turlock Holdings

29 Watter Alexander

190 W. S. Yastes 7.3 10.0 7.8 4.8 4.9 15.7 7.0 15.0 17.0 12.9 8.7 7.5 4.1 20.2 9.3 5.3



London United in £24m rights to expand Walbrook

calleds upon shareholders for foreshadow a regular issue propingers, including Walbrook, almost £24.3m of extra funds to enable Walbrook, its UK increases.

Underwriting arm, to take on The new money raised from

The Issue is of 7.35m shares on the basis of one for two at 330p each. In the market the price rose by 15p to 418p.

In June, 1986, London United launched a f7m rights issue at investors — a one for four at 250p — to raise funds for LUI linearince Syndicate Inc., which was formed to become a member of the Illinois Insurance Syndicate Inc., although in the early 1980s profitability from property and

Leaden United Investments is significantly higher level of The consequent shakeout in lambing. Its second rights premium income." the sector as some companies issue in a life over a year. Mr Charles Driver, chairman withdrew has meant that the Yesterday the lasurance com- and chief executive, said yester recent unturn has become pany and auderwriting agent day that the move did not magnified for the remaining



The new money raised from shareholders, together with £10m additional share capital subscribed by the parent company will increase Walbrook's capital and reserves to over £52.5m compared to £19.3m at the end of last December.

With the cash call comes the

250p — to raise funds for LUI Insurance Syndicate Inc., which was formed to become a member of the Illinois Insurance Exchange.

The directors now believe that "a substantial increase in Walbrook's capital would enable the group to benefit from current strong market canditions allowing it to underwrite a cuts and underwriting losses.

With the cash call comes the promise of a 15 per cent increase in dividends per share for the current year. The directors intend to pay a 6.5p in term followed by a 10.75p final Last year the payout was liked by 2p to 15p on profits by overcapacity Walbrook's capital would enable to avoid the worst of the premium allowing it to underwrite a cuts and underwriting losses.

With the cash call comes the promise of a 15 per cent increase in dividends per share for the current year. The directors intend to pay a 6.5p in terim followed by a 10.75p final Last year the payout was liked by 2p to 15p on profits by overcapacity was been underwritten by Morgan Grenfell and brokers are Cazenove.

See Lex

Anglia Homes USM placing

Anglia Secure Homes today cent of the enlarged equity, at follows The Shield Group as the second builder to join the ceeds are going to the company is forecasting profits of £800,000, putting the shares on a prospective p/e and will be used to buy more past few days. It is coming to the company is forecasting profits of £800,000, putting the shares on a prospective p/e ratio of 15.9.

Anglia sees good prospects for growth. It says Britain's and has so far sold 156 shelling sheltered housing for under way and 218 units are the elderly. From its established has in East Anglia sees to be finished in the latery of the company is forecasting profits of £800,000, putting the shares on a prospective p/e ratio of 15.9.

Anglia sees good prospects for growth. It says Britain's population of over-60s is estimated at 11.4m, yet only 31,000 units of sheltered housing have been or are being built.

Although there has been a large increase in the number of

& Stone, Anglia specialises in building sheltered housing for the elderly. From its established base in East Anglia, the com-pany has spread into Cambridgeire, Hertfordshire and North

Cayzer and Phillips & Drew, although these figures exclude believe the increasion brokers to the issue, are placing 2.6m shares, or 28 per progress. For the current year relation to its size.

COSTS

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AS INTE

..e

CCOUNTS

y 1. 530

C

year to September 1987.

Pre-tax profits have grown from £20,000 in 1983 to £455,000 in the year to last December,

large increase in the number of planning approvals given for sheltered housing last year, the prospectus says, the directors believe the increase in activity

Full listing for Stanley Leisure

Hambros Bank has arranged the placing of 2.726m shares at 110p each to raise around £3m. Of that 530,000 shares are new equity to inject £300,000 into the chipped in £711,000.

Stanley Leisure Organisation is joining the main market following a placing of a quarter of betting shops in Belfast in the late 1950s. Today Stanley shops and casinos group around 512m.

largest chain in the UK operat-ing under the Stanley Racing banner. There are 53 shops in Merseyside, 22 in the Midlands, 20 in Yorkshire, 14 in Northern Ireland and three in the Isle of Man. The four casinos are situated in Liverpool, Manchester, Newcastle-upon-Tyne

while the casino operation chipped in \$711,000.

Company with the balance coming from existing helders.

The new mency will be used of acquisitions, from \$256,000 and towards equipping betting ships in 1981-82, to \$1.55m last year.

The company is new the size.

Fletcher Dennys joins unlisted market

BY PHILIP COGGAN

27.5 per cent of the capital, at turnover last year to 33 per charge of 40 per cent, puts the 70p each. The price values the cent long term. Some part of 149. The group's customers, which expenses Fletcher will raise include major companies like film which it will use to British Airways and Trusthouse reduce borrowings and finance working capital.

Microcomputer dealers have not performed well of late but set amount of equipment over the shares are being placed by Capel-Cure Myers and deal-Fletcher Dennys has bucked the

Fletcher Demays Systems, a trend by concentrating on sup-microcomputer systems dealer plying IHM equipment and by founded by former ICL emphasising customer services, employees, is joining the USM which the group hopes to via a placing of 1.9m shares, increase from 17 per cent of 27.5 per cent of the capital, at turnover last year to 33 per charge of 40 per cent, puts the 70p each. The price values the cent long term.

This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange. A proportion of the shares now being placed may be available to the public through the market before 3.00p.m. today.

Application has been made to the Council of The Stock Exchange for the grant of permission to deal in the ordinary shares in the Company on the Unlisted Securities Market. It is emphasised fliat no application has been made for these securities to be admitted to the Official List. It is expected that dealings will commence on



(Incorporated in England under the Companies Acts 1948 to 1981 registered number 1668247)

The Group is engaged in the design, construction, sale and management of quality private sheltered housing for the retired.

> Placing by Cayzer Limited and Phillips & Drew of 2,608,695 ordinary shares of 10p each at 115p per share

> > SHARE CAPITAL

issued and to be issued and fully paid

Authorised £1,200,000

in ordinary shares of 10p each

Particulars regarding the Company are available in the Extel Unlisted Securities Market Service and copies of such particulars may be obtained during normal business hours on weekdays (except Saturdays) up to and including 25th July, 1986

> Cayzer Limited 2 St. Mary Axe London ÉC3A 8BP

Phillips & Drew 120 Moorgate **London EC2M 6XP**

11th July, 1986

Harrison Birmid Qualcast profits exceed **Industries** City estimates by almost £1m valued at £18m

the market's estimates by almost £1m.

Harrison Industries, holding company who main activity is making industrial doors, today publishes the prospectus for an offer for sale which will be to the prospectus of the control of the co sale which will give it a market capitalisation of

Hill Samuel, the merchan

Hill Samuel, the merchant bank is offering 3.3m shares—about 28 per cent of the enlarged equity—at 150p a share. Broker to the issue is Wood Mackenzie.

Mr Ken Harrison, the group's 56 year-old chairman, founded Harrison industries in 1971 after hreaking away from another industrial doors manufacturer; G. Brady—now Bolton Brady, a Tarmac subsidiary. Over the next few years a number of subsidiaries were established or acquired, each producing a different type of door but marketing the whole range.

A castings division was set up in 1974 to serve the needs of the industrial doors division, but has since expanded to the point where 90 per cent of sales are to outside customers.

customers.

More recently, a power transmission division was set up in 1982 to produce complete electric motor systems, and a domestic garage doors division operating under the name of Kingdoor was set

up last year.

In spite of Harrison's diversification, some 70 per cent of sales and profits still come from designing and engineering industrial doors to contamers' requirements. to customers' requirements.
Examples of its products
include high security grilles
for banks and insulated doors
for temperature - controlled warehouses, as we'll as general doors and shutters for warehouses, factories and

shops.

Pre-tax profits have risen from £267,000 in 1982 to £2.4m in the year to last March. There is no profits forecast for the current eyar so Harrison comes to the market on an historic price/ Of the £5m being raised, half will go to existing share-holders (£947,000 of it to Mr Ken Harrison) leaving £2m net of expenses for the company. This will boost working capital and help cover £1.2m of capital spending planned

The manufacture of industrial doors may not be perceived as the most exciting activity to have hit the stock market this year, but Harrison Industries is a major player in the field with an estimated 20 per cent market share and has long experience in making money at it. In spite of a comparatively slugglah rate of prafits growth in the division last year, the trend towards more sophisticated products such as security and energy-saving doors suggests that fatter margins are on the way. Meanwhile demands on the eastings division have created the need for a third foundry to open this year, and the newer power transmission and garage door divisions are at early enough stages of their growth to be on a sharp upward trend. Overall, some £3m must be in sight for the sam must be in sight for the current year, putting the shares on a prospective p/e ratio of 9½ — a figure comparing with Henderson's 11 or 12 and probably humble enough to see the issue to a processor to be a provided. réasonable premium provided Wall Street plays fair.

Windsmoor offer oversubscribed

The offer for sale of shares in Windsmoor, the fashion house seeking a full listing, seemed likely last night to have been oversubscribed two or three times, with applica-tions received for approach-ing 17m shares compared with the 6.6m on offer. Chase Manhattan Securities, the sponsors, said: "In view of the dismal performance of some other recent new issues, we are very many some other recent new issues, we are very well pleased." The basis of allocation will be announced today.

BOARD MEETINGS

envisends. Omeial indications are not evailable as to whether the dividends are interims or finals and the authorisions above below are based mainly on last year's timetable.

TODAY

Interime: First Chicago. Finals: Cambian Venture Capital, rown House, Park Food, Benjamin FUTURE DATES

South African Land and Explin.

FIRST HALF pre-tax profits between the two halves of the provide 50 per cent of turnover from Birmid Qualcast exceeded year. but 75 per cent of profits—is

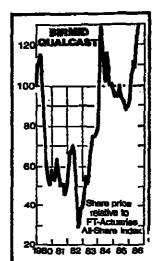
For the year ended Novem-The profit, for the six months nded May 31 1986, rose from turnover of £202.75m and a pretax profit of £10.06m. There was £3.68m to £6.14m, reflecting increased demand in central heating, initial benefits of rationalisation in the foundries, and a satisfactory start to the also extraordinary charges of

Following the policy of lessening the disparity between interim and final dividends over a period, the interim payment is raised from 0.75p to 1.25p lawn mower season. Succeeding weeks continued to show good results. Turnover fell from £111.8m to £108.9m. net -- last year's final came to

Operating profit advanced by \$2.2m to £7.08m while net interest payable was reduced by £2.58,000 to £337,000. After tax After years of cost cutting and £1.1m (£600,000) the net profit came to £5.04m (£8.08m), producing earnings of 7.5p (4.7p) per share. Chairman Mr R. T. division and in 1985.86 all the Macpherson reiterated the expectation that results would show a closer similarity theless consumer goods—which

now established as the core ber 2 1985 the group produced growth area and it is in this sector that future diversification plans will be directed. The heating division, which was hit by the imposition of VAT in early 1985, has now recovered momen tum, While home and garden products have been buoyed by the introduction of the bover

lawnmower. Birmid's shares have risen steadily in the last have risen steadily in the last year or so and rose again, by 3p to 150p, yesterday. The City expects profits of £13m for the full year producing a prospective p/e of 9.5 which offers some scope for further growth. With cost cutting and closures firmly behind it. Birmid is now eager to grow again and is scouting about for acquisition opportunities in the consumer goods sector.



Gold mining companies managed by

Golden Dumps

(Reg. No. 77/00913/07)

Reports of the directors for the quarter ended 30 June 1986

CONSOLIDATED MODDERFONTEIN

MINES LIMITED {Reg. No. 01/03323/06}

	Issued share ca	•		
	Divided into 21 440 000 ord	linary share	s of 5 cents e	sch
				12 months
			rended	to
	OPERATING RESULTS	30.06.1986	31.03.1986	30,06.1986
	Ore milled - tons	152 236	153 396	599 495
	Gold recovered - kilograms		813.5	3 276,6
	Yield - grams per ton milled		5.30	5.47
	Revenue - per ton milled		R118.48	R133,10
	Working costs - per ton milled		R52,39	R52,31
	Working profit - per ton milled	R74,05	R65,09	R80,79
	Gold price received per kilogram	R25 039	R22 341	R24351
	- per ounce	. \$342	\$339	\$332
	Working costs per kilogram	. R10992	R9 880	R9 570
	– per ounce	\$150	\$149	\$131
	FINANCIAL RESULTS (R000)			
	Revenue from gold and silver	20094	18175	79791
	Working costs		8037	31 357
	Working profit - underground		10138	48 434
	Surface material profit		**** 64	201
	Sundry revenue		306	1 260
•	Operating profit		10508	49 895
	Net interest received	577	308	1748
	THE INTEREST TOCKINGS			
٠.	Net profit before taxation	12 125	10816	51 643
	Provision for taxetion	245		245
	Net profit after taxation	11 880	10816	51 398
	Capital expenditure	7616	Б 153	23 354
	Dividends		_	26 800
	DEVELOPMENT		•	
	North-East Prospect Shaft -			
	Black Roof	_		
	Advanced - metres	633	1 286	5197
	Sampled - metres		614	2 235
	Payable - metres		92	379
	Channel width - centimetres		129	98
	Augustian widus - Containedes	120	145	440

Average value - grams par ton 10,4 14,3 1415 Advanced - metres 2698 504 120 6,7 Average value – grams per ton grams per ton No. 1 Circular Shaft - Black Reef Advanced - metres Sampled - metres 1345 210

The unexpended balance of capital expenditure voted by the board amounted to R682 000 at 30 June 1986.

Average value – grams per ton

T. L. GIBBS

SPRINGS DAGGA GOLD MINES LIMITED

(Reg. No. 77/01961/06) (incorporated in the Republic of South Africa) Stated capital: R44 907 475

Divided into: 117 647 050 ordinary shares of no parvalue

FINANCIAL RESULTS (RODO)		er ended 30.03.1986	12 months to 30.06.1986
Sundry revenue	46 . 919	 1 154	46 4219
Netprofit	965	1 154	4 2 6 5
Capital expenditure	. 6517	5 367	15 601

CAPITAL EXPENDITURE

Capital expenditure on design work, construction and erection, refurbishment, plant and equipment, and pre-production costs totalled The unexpended balance of capital expenditure voted by the board amounted to R9 867 981.

Refurbishment and upgrating of the hoist and headgear is complete. The shaft are handling facilities are operational and Kimberley Level

Stoping operations are planned to begin during the next quarter and the rest produced will be stockpiled on surface.

Erection of the plant is proceeding on schedule and commissioning is HEXRIVIER PROJECT

Prospect drilling is progressing satisfactorily so is the sampling of accessible underground workings. L.C. POURQULIS H. V. ZIPPRICH Directors

SOUTH ROODEPOORT MAIN REEF AREAS LIMITED

(Reg. No. 05/05814/06)

(Incorporated in the Republic of South Africa) Issued share capital: R5 600 482 Divided into: 1 562 715 ordinary shares of 56 cents each 8 438 145 10% automatically convenible panicipating cumulative preference shares of 56 cents each

Quarter ended

ı	OPERATING RESULTS	30.06.1986	31.03.1986	30.06.1986
	Ore milled – tons	. 347,7 . 4,14 . R97,49	84 427 357,9 4,24 R99,07 R57,00	330 352 1 413,2 4,28 R103,96 R60,15
l	Working profit - per ton milled	. R32,39	R42,07	R43,81
ı	Gold price received – per kilogran		R23 370	R24 300
	— per ounce . Working costs — per kilogram — per ounce	. R15738	\$339 R13 445 \$195	\$323 R14060 \$192
	FINANCIAL RESULTS (ROOD)			
	Revenue from gold and silver > Working costs	21 8195 - 5472	8364 4812	34342 19870
	Working profit Sundry revenue Dividends received	92	3 552 57 170	14 472 250 364
Į	Operating profit	. 2815	3779 373	15086 1237
I	Net profit before taxation Provision for taxation	. 3091 . 1257	4 152 1 533	16323 6800
1	Net profit after taxation	. 1834	2619	9 523
l	Capital expenditure Dividends	. 890 . 3637	1364	4 597 6 000
I	DEVELOPMENT	•		
ł	Ventersdorp Contact Reef			
ı	Advanced – metres	. 635 . 167	882 170	3 158 783
ı	Payable - matres	. 62	78	703 176
ł	Channel width - centimetres	. 98	105	111
l	Average value – grams per ton – centimetre	10,1	8,4	8,3
J	grams per ton	992	877	918
l	Kimberley Reef			
1	Advanced - metres	. 1045	1 196	4884
J	Sampled – metres	. 328	279 103	7 210
ŀ	Channel width - centimetres	. 64 . 216	103	369 178
l	Average value – grams per ton	5,8	4,9	61
l	centimetre grams per ton	1.218	742	1087

anded balance of capital expanditure authorised by the ORDINARY DIVIDEND

tion of dividend No. 63 accompanies this report.

PREFERENCE DIVIDEND The declaration of preference dividend No. 9 includes the preference dividend of 4 cents per share for the period to 30 June 1986 and a participating dividend of 33 cents per share.

H.B. MILLER Directors

DECLARATION OF FINAL DIVIDENDS

Notice is hereby given that final dividends in respect of the financial years ended 30 June 1986 have been declared by the undermentioned compenies, payable to members registered at the close of business on Friday, 25 July 1986. The registers of members of the companies will be closed from 26 July 1986 to 3 August 1986, both

Dividend warrants will be posted on or about 25 August 1986. The dividends are declared in the currency of the Republic of South Africa. Non-resident shareholders' tax of 15% will be deducted from dividends payable to shareholders whose addresses are outside the Republic of South Africa.

Non-resident shareholders will be paid in the United Kingdom currency equivalent to the Rand value of their dividends on 1 August 1986.

Company _	Class of share	Dividend No.	Amount per share (cents)
Consolidated Moddletfontein Mines Limited	Ordinary	99	70
South Roodspoort Main Red Aress Limited	10% automatically convertible participatic cumulative preference	. 9	37
•	Ordinary	63	33

stered office and transfer secretaries GOLD EQUITY REGISTRARS (PTY) LIMITED 3rd Floor, Auction House

111 Fox Street, Johannesburg 2001 P.O. Box 62185, Marshalltown 2107 GOLD EQUITY REGISTRARS (PTY) LIMITED

Plessey warns MoD over GEC bid

BY GUY DE JONQUIERES

A TAKEOVER of Plessey by the tender or buy abroad.

General Electric Company The Monopolies and Mergers would create a group with "masment, Sir John Clark, chairman late last year.
of Plessey, said at yesterday's Sir John said that a merge

Commission is due to report to sive market dominance" which the Government this month on would severely reduce competithe £1.16bn hostile takeover bld for Plessey which GEC launched

annual meeting.

He told shareholders at the meeting in London: "For the in the supply of naval and air Ministry of Defence, the choice defence radar systems and would be stark: accept GEC's naval communications.

petitors in land tactical communications systems would be reduced to two, while a combination of GEC and Plessey would provide about 80 per cent of secure communications equip-

A merger would also mean that a single UK supplier accounted for about 80 per cent of the domestic markets for

The number of British com- large private branch telephone traffic control systems. Sir John said Plessey was big

enough on its own to compete internationally and needed neither GEC's cash resources GEC takeover would, he said, put at risk Plessey's investment in research and its ability to turn semiconductor technology

Hampton Areas concedes defeat in Metals bid fight

the UK-based natural resources group. yesterday conceded defeat in its first against the uereat in his his against the take over bid from Metals Exploration, the Australian company headed by Mr Alan Bond.

Thursday by Metals that as a result of its 150p per share cash offer it controlled 59.2 per cent of Hampton's shares.

Hampton's board and advisers, Samuel Montagu, now strongly recommend acceptance of the bid, which has gone unconditional and remains open until further notice.

Metals' victory has been accompanied with requests for resignations and appointments on the Hampton board. Mr George Llyingstone-Learmouth, George Livingstone-Learmouth,
Hampton's managing director,
has resigned and Mr I. A. N.
McIntosh will also resign as a
director. Joining the board will

write-offs while the UK miners' director. Joining the board will be Mr. Alan Bond, Mr. R. A. strike hit the coal and mining Pearce, Mr. S. J. Farrell, Mr. A. Birchmore and Mr. B. M. Hampton's earnings suffered

Hampton was incorporated in the UK in 1920 as a reconstruction of older companies. Its sidiary.

Year to 30th April

Profit Before Tax

Profit After Tax

Proposed Dividend

Earnings Per Share

Turnover

Taxation

1.3p (net)

Hampton Gold Mining Areas, assets were manly in freehold ne UK-based natural resources land, and gold mining rights in roup. yesterday conceded the Kalgoorlie area of Western Australia.

For many years the company slumbered in investment terms until attracting speculative interest — among many other Yesterday's statement mining companies — during followed an announcement on Thursday by Metals that as a tion boom of the late-1960s. result of its 150p per share cash Like virtually all of the other offer it controlled 59.2 per cent hopefuls, Hampton did not find its nickel mine.

But it did acquire an ongoing income in the form of royalties paid by Western Mining from nickel mining operations nickel mining operations carried out on part of Hampton's properties. This income provided a base for the more recent expansion into such UK interests as North Sea oil and gas, coal mining and the manufacture of mining equipment.

Hampton's earnings suffered accordingly but it still had an

Northamberpk

Leading Distributor of

Computer Printers, Peripherals

and Data Communications Equipment

1986

2'000

21,647

1,853

1,107

104

13.8p

NORTHAMBER plc Chessington Park Industrial Estate.

Lion Park Avenue, Chessington, Surrey KT9 1ST Tel: 01-391 4100 Telex: 24123 NAMBER G

The Fleming Far Eastern

Investment Trust plc

Philip Harris acquisition will widen market area

Philip Harris (Holdings) yes-Philip Harris (Holaings) yes-terday announced its best pro-tax profit for five years, and unveiled plans to further pene-trate markets in the south east of England through a £1.78m cash acquisition of Scientific

Supplies Company. Staffordshire - based Philip Harris increased taxable profits in the year to end-March 1986 to £1.09m, which was retarded by £338,000 of exceptional bad debt provisions and compared with the previous year's £654,000 profit.

Philip Harris, an equipment and materials supplier to the scientific. educational and scientific. medical markets, last made over flm pre-tax in the 1978-79 year then profits reached a record

Mr John Haller, the chairman, said yesterday that despite the exceptional items, relating to problems with a debtor of the medical business, the "short- and medium-term pro-spects for the group are bright."

The acquisition of SSL, he said, would not only give the group an established customer base in the south east but "will also give a market penetration into pharmaceutical companies, universities, chemical manu-facturers and medical and research establishments which complement rather than dupli-cate Philip Harris's existing market strengths."

Philip Harris's turnover in 1985-86 rose from £28.51m to a record £43.67m, which generated a record operating profit of £1.41m (£813,000) before exceptional items. In the year to end-July 1985 SSL made taxable profit of £913,000 on turnoste of £9 able profits of £213,000 on turn-over of £2.52m.

Shareholders in Philip Harris snareholders in Philip harris are to receive a higher final dividend of 5.5p (4.75p), making an increased total of 9.25p (7.75p). Retained profits for the year were £160,000 higher at £371,000 after tax of £418,000 (£191,000) and allowing for dividends.

GRA profits jump to £0.55m

A steep rise in pre-tax profits. A Steep rise in pre-tax pronts, accordingly but it still had an asset of unrealised potential in its Hampton Austrialia subsidiary.

A Steep rise in pre-tax pronts, from £54,000 to £548,000 in the six months to end-April 1986, was achieved by GRA Group, greyhound racing organiser.

1985

£,000

16,122

1,213

504

709

74

8.9p

The directors atributed the increase in both prifits and turn-over — up from £4.19m to £5.12m — largely to the changes in legislation referred to in the chairman's statement, which enabled the company to pursue a policy of racing regularly three times a week at all its

Although the benefits would continue throughout the year, the board did not expect a similar improvement in the second half. However, they said that trading continued at a satisfactory level, and they were confident that the out-turn would be well ahead of the

revious year. The directors were continuing to seek planning permission for the proposed developments at Harringay, Slough, White City Manchester, Northaw and Shawfield, they added. In anticipa-tion of a successful outcome, alternative sites for greyhound racing were being sought.

For this half the company's opreating profit jumped from £28,000 to £461,000 and the pre-

interest received to £87,000 (£26,000). Tax was up from £27,000 to £208,000 to leave earnings per 5p share of 0.79p (0.08p) before extraordinaries, and up from 0.24p to 1.86p after. An extraordinary profit of £379,000 (£78,000) arose from the sale of 12 houses on the former training

12 houses on the former training site at Northaw. site at Northaw.

The directors intend extending the current financial period to end-December 1986 to reflect more appropriately the company's trading pattern. A final dividend payment will be considered at the appropriate time, they stated.

Bid for Martin
Ford fails

By Laurie Ludwick

Iridium Investments, the consortium of fashion retailers and property developers. has failed in its agreed £11m bid to acquire Martin Ford, the lossmaking ladies wear retailer.

Iridium's offer of 10p per share was accepted by only 3.9 per cent of Ford's shareholders, giving the consortium a 35.9 per cent stake in the company.

Iridium already owned 32 per cent of Ford's equity—part of the 56.3 per cent stake sold by members of the Ford family.

Ford's shares rose 1p, to closa at 69p.

Agreed £7m offer for Midland **Marts**

By David Goodhart

Oyston Estate Agency, the biggest privately owned estate agency business in the country and seventh largest over-all, has made an agreed cash offer of £6.8m for Midland Marts, the livestock auc-tioneer and estate agency

represents a 25 per cent pre-mium over the price at close of business on Wednesday and had been "irrevocably" accepted by directors, exdirectors and employees of Midland Marts speaking for 34.3 per cent of the share capital.

Oyston is owned by the Oyston is owned by the family interests of Mr Owen Oyston, the company's chairman and managing director, who founded the business in 1962. Its strategy is to expand its estate agency activities out of its base in the North-West and into the Midlands.

The company has recently reached agreement with Royal Life Holdings under which Royal Life will acquire a sub-stantial minority stake probably over 30 per cent. Midland Marts saw pre-tax profits slip by 28 per cent to January 21, 1986 on turnover of \$4.45m. Its share price yesterday rose 37p to cose at 189p.

Daily Mail Trust in the half year ended March 31 1986, the Daily Mail and General Trust pushed up its net taxed profit from £5.39m to £6.59m, including the proportion of the related company Associated News-paper Holdings. Of the profit £2.1st (£1.87m) was attributable to the Trust. Earnings were 20.8p (18.6p)

per share and the interior dividend was raised to 16p dividenu (15.5p) net.
Net asset value of the was £26.16p ordinary was (£18.77p) per share.

Energy Capital An exceptional debit of \$238,000—a write-down in the company's investment in Utah Overthrust oil and gas leases—resulted in Energy Capital reporting pre-tax losses of £549,000, against £1.1m, in the year to March 31 1986.

Turnover was £93,000 against £135,000, adn operating losses totalled £166,000 (£111,000). Sundry costs amounted to £45,000 (£58,000 income). The loss per 121p share was 3p against 6.7p. year-end will be September 30.

Alexanders upturn Following its return to profitability in the second balf of last year, Alexanders Holdings, Ford main dealer, made a pre-tax profit of £127,00 for the six menths to March 31 1986 against a £49,000 loss last time. Turaover was £3.5m higher at £23.7m.

Suter stake

Egerton rises sharply and sees healthy growth ahead

shaping up well in its new form ary.
and that it was on target with Ea its expansion programme. He revealed that Egerton had

development programmes in place which would start to produce profits late this year and in 1987. The company is basically a nursing home developer and

manager and for the opening six months of the 1986 year it raised its profits from £413,000 The offer of 180p a share to £647,000 at the pre-tax level. However, Mr Sanderson added a note of caution, pointing out that due to heavy investment the results of the current six months may not match those of the first half. He said the main profits flow from current prospects would come in 1987 and onwards. The company's development

programme would require an increase in its capital base and accordingly, a rights issue and placing of convertible preference shares was being planned. Details will be circulated to shareholders shortly. Turnover for the opening six months pushed ahead from £2.8m to £3.1m and at operating level profits rose by £133,000 to

£802,000—the company was formerly known as Caparo Pro-

Mr Frank Sanderson, chair-man of Egerten Trust, said Dartel Holdings. Both com-yesterday that the company was panies were acquired last Febru-"We have assemble

Earnings worked through at 3.44p (3.16p) and the interim dividend is being stepped up from 0.2p to 0.5p net . The principal contributor to

housebuilding activity. Nursing homes and property investment also made profits but sheltered housing showed a small loss, which the directors said represented the setting up costs. Beaumont Medical Services, the company's health care divi-

first half profits was the private

sion, had recently acquired three fully operational nursing homes in the South of England and a site for development in Prestbury, Cheshire. Other pur-chases were planned. Homes.

formed to develop high quality retirement housing, already had a scheme for 64 apartments at Welling, Kent, underway and another scheme for 60 flats in Hertfordships, was automobile in Hertfordshire was currently in for detailed planning approval. Egerton's housing division, Denehurst Homes, had successfully completed developments this year at Staplehurst and Sevenoaks in Kent. Planning permission was obtained to develop some 150 homes at Padormerly known as Caparo Pro-erties.

The profits include those of ley. Both developments would

Mr Sanderson summed up: "We have assembled a young and lively management team which has already put us on course for very healthy growth."

New chairman Frank Sanderson has revamped the old Caparo properties and is in the process of creating a new vehicle, which will concentrate mainly on building and managing surring homes for the elderly. Like many others, including Anglis Secure Homes, currently joining the USM, Egerton has spotted the growth potential for sheltered housing. The problem at the moment is raising capital to fund the development schemes. The four acquisitions cost around £2.5m and the cash surplus Sanderson brought to the company has now been used up. Hence the need for a rights issue in the second half. Pro perty investment and private housing will continue to provide the bulk of the profits in the second half but nursing homes and sheltered housing will provide the surge next year. Pre-tax profits of £1m look feasible for the full year and, on a tax charge of 25 per Cent, the shares, at 114p are on a p/e of 24. That seems a little high compared with the 15.9 on which Anglia is coming to the

Jones Stroud profits advance to over £4m

Jones Strond (Holdings), would exceed those now re of materials and ported accessories for the textile and electrical industries, raised pretax profits by 19 per cent from £3.52m to £4.19m for the year ended March 31, 1986, on turn-over up a marginal 1 per cent at £42.07m, against £41.53m. As expected, annual profits did

not rise in the same propor-tion as in the first six mouths, when a pre-tax figure up 31 per cent at £2.02m, compared with a disappointing £1.54m

The directors said yesterday that trading results for the current year were in line with current year were in line with came out ahead from £1.9m to expectations and it was anticited from £2.39m. Ordinary dividends pated that profits for the year absorb £786,000 (£647,000).

The final dividend is raised to The final dividend is raised to 5.5p (4.5p) making a net total up from 7p to 8.5p. Earnings per 25p share before extraordinary items, were 44.15p (36.95p) before tax and 25.84p (21.81p) after tax.

At the trading level, profits increased from \$3.52m to \$4 m.

Associates' contribut.

£4.1m. Associates' contribu-tions added £669,000 (£624,000) but net interest payable tool £575,000 (£619,000). After tax of £1.69m (£1.4m), preference dividends and an extraordinary charge last time of £120,000, attributable profits

Basketball footwear sales boost Reebok profits:

SECOND QUARTER figures to the net attributable to Reebok June 30 1986 from Reebek International, an associate of Pentland Industries, showed income before tax soaring from oerore tax soaring from which certain or those ngures US\$14.31m to \$64.76m, bringing will form a part, will be made the total for the half year to on August 28. Yesterday, its \$114.47m, against \$23.32m. Transferring these into ster-

Kleen-E-Ze up to £0.6m

SECOND-HALF pre-tax profits at Kleen-E-Ze Holdings increased from £163,716 to £457,990, and figures for the full year to March 31, 1986 advanced from £268,000 to £223,500. The final dividend is raised from 4p to 5p net for a total up from 5p to 6p.

Turnover of this Bristol-based manufacturer of energy-saving devices, brushes and cleaning products, rose from £13,15m to £16,08m, but both cost of sales and distribution costs were higher at £8.46m (£7.22m) and £4.85m (£3.88m) respectively.

Administration costs took £1.84m compared with £1.57m, net operating income improved from £650,000 to £1.02m, and interest payable and similar charges were £401,000 against charges were £401,000 against

Pentland's interim statemen of which certain of those figures

The directors of Reebok said Transferring these into ster-ling gave a pre-tax profit of \$42.26m (£9.9m) and net attri-butable to Reebok of £21.38m (£4.93m) for the quarter, using a rate of \$1.5325 (\$1.4455).

For the half year the pre-tax profit was £74.7m (£16.13m) and strong in the second quarter.

Penny & Giles to seek full listing

Penny & Giles International, the USM electronic instruments-

on turnover up 12 per cent to £15.92m (£14.17m). The direcfil5.92m (fil4.17m). The directors said they looked forward to another year of progress.

Earnings per 25p share were up from 8.59p to 10.25p, and the final dividend is 1.5p for a total of 2.18p (1.35p) net.

Net assets increased from 67p to 75.1p per share.

During the wear, two com-During the year, two com-panies within the group have

formalised division of their operations based upon profit centre, identified by product and the associated technology. This resulted in increased operating efficiency and contributed to improved margins. Exports increased in the year from 25 per cent to 32 per

Northamber up 53% at vear-end

A 53 per cent increase from £1.21m to £1.85m in pre-tax profits for the year to April 30 1986 was yesterday reported by Northamber, supplier of computer printers and peripherals, in its first figures since gaining a full listing on the London Stock Exchange last December. The dividend was increased by 30 per cent from 1p to 13p net, and stated earnings per 5p share were 13.8p on enlarged capital against a restated 8.9p.
Mr D. M. Phillips, the chairman and managing director, said the printer market continued to grow and it had continued to achieve very satisfactory increases in both profit and revenue in that area during the year.

Looking ahead, Mr Phillips said he felt that there remained

said he felt that there remained considerable potential to expand both its customer base and range of products carried. There would be continued heavy investment in further development of the enlarged infrastructure, stocking levels and personnel which would be necessary to enable the company to take full advantage of growth opportunities.

Turnover for 1985-86 rose from £16.12m to £21.65m.

COMPANY NEWS IN BRIEF

Results for Year to 31st March 1985 % Change **Net Assets** £221.4m £170.8m +32.6Net Asset Value per Share 146.4p 110.4p* +32.6be considering the implications of the offer to be made and will seek independent financial advice. Thereafter, board will write to shareholders again, but to £84,519 (£503,530) pre-tax. Dividend per Share 1.00p 100* *Adjusted for the 2-for-1 scrip issue paid in July 1985. The Trust's Objectives

To invest in Far Eastern stock markets aiming at total return, pri-

If you would like a copy of the Annual Report and details of The Fleming Trust's Dividend Reinvestment and Savings Scheme please send the coupon back to the Secretary, Robert Fleming Services Limited, 25 Copthall Avenue, London EC2R 7DR.

marily from capital appreciation rather than income. At 31st March, 1986 the portfolio was invested 80% in Japan, 10% in Hong Kong, 4%

in Australia, 5% in other Far Eastern countries and 1% elsewhere.

FLEMINGS

DIVIDENDS ANNOUNCED Date Corre-Total
Current of sponding for
Payment payment div.
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..... 1.7 — 0.41 —
...... 10.47 — 0.41 —
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...... 15.5 Aug 8 0.2 —
ah masshr Aug 8 0.2 —
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Philip Harris 5.5
Jones Stroud 5.5
Kleen-E-Zee 5
Lewmar \$1.54
Microsystems int \$0.75
Northamber \$1.2
Oldacre Hidgs 3.35
Penny & Giles \$1.5
Symonds Eng 0.61
Thorn EMI 12.5
Tribune Invest Tst int 0.65
Dividends shown in pence p Jones Stroud

5.5 Oct 11

4.5

6.5

Creased its pre-tax profits from Kleen-E-Zee

5.5

Creased its pre-tax profits from the year to 22.5m to £2.5m in the year to 22.5m to £2.5m to £2.5m in the year to 22.5m to £2.5m to £2.5m in the year to 22.5m to £2.5m to £2.5m in the year to 22.5m to £2.5m to £2.5m in the year to 22.5m to £2.5m to £2.5m in the year to 22.5m to £2.5m to £2.5m in the year to 22.5m to £2.5m to £2.5m in the year to 22.5m to £2.5m to £2.5m in the year to 22.5m to £2.5m to £2.5m

PAUL MICHAEL Leisure in the meantime directors Considerable costs were wear; following an announcement by Cleves Investments, directors of Paul Michael will show through in second that they take no anumber of properties. Benefits will show through in second will show through in second that. Interim divided 0.47p (0.41p).

Of Wellyss Investment Trust having won acceptances from shareholders controlling 33 per cent of the share capital. Prior to its offer, ATS owned 27 per cent of Wellyss and thus now owns 60 per cent.

272,662 to 237,433 in pre-tax profits for the year to March 31 1986. The final dividend was same-again total of 0.9125p. Stated earnings per 5p share were lower at 0.237p (0.661p). Turnover rose from £3.53m to £3.72m. Tax was considerably higher at £11,132 (£3,915). There was an extraordinary higher at £11,132 (£3,915). There was an extraordinary per cent).

Of Wellyss investment trust having won acceptances from shareholders controlling 33 per cent of the share capital. Prior to its offer, ATS owned 27 per cent of Wellyss and thus now owns 60 per cent.

TEXAS GAS Exploration (UK) said a wholly-owned subsidiary of CSX Corporation, TG's parent company, purchased 150,000 ordinary shares in Industrial Scotland Energy, at 89p each. As a result, TG now controls 831,324 ISE shares (3.6 per cent). OLDACRE HOLDINGS in-

creased its pre-tax profits from

of Wemyss Investment Trust Epicure Investments.

BROWNLEE, the Glasgow-based timber and builders' merchant, which received two unsolicited bid approaches last month is still uncertain over whether either will lead to an offer

£2.61m to £2.96m. Stated earnings per share were ahead at 12.51p (10.95p).

ATS Resources has won control to buy the remaining 50 per cent of Epicure's bolding for \$400,000 within the next five years, and the intends to refinence

CHARTERHALL'S shareholders at an EGM voted overwhelmingly in favour of resolutions to enable the subscription by Wyscon for 65m new ordinary shares in Charterhall to take place. After the EGM the subscription was completed by ellow

Financial Times Friday July 11 1986 LONDON RECENT ISSUES + 67 Set. | Sec. Section that Inc.

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| Arkurright Va. Ask 3pm | 100pm | 15pm | 12pm | 12 Can Europe catchin? ad reprint of a series of articles "Can Barie catch up?" and rds a Free Trade Community"—previously published in the Finan-men during 1985. Publicity Department ion House, 16 Cramon Stree London, EC4P, 48Y F.T. Crossword Puzzle 70. 6,070 DINMUTZ

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5 For a clever scientist, fake diamonds take half an hour 8 One who takes stock of (7)
9 Beg prince to take escort (5)14 Wandering like the average doctor, love us! (9)
pe's also dissolved (9)
11 Means of fastening lid, or beans when serving? (9)
12 Live and prosper without love (5)
13 Some people put a braiface on it! (5)
15 Oval feature has rent arranced even more (9)
16 Chief breadman? (9)
17 Lower our carriage (9)
18 Low wall to appear out of place on edge of pavement (7)
29 Dish of cooked tripe (5)
20 One is keyed up to get into steel band (3-4)
20 Dish of cooked tripe (5)
21 Swift strike around Pethead (5)
22 Defence not suitable wen constructing prisons? (9)
23 Shabby tender endlessly on railway (5).
24 Relaxes strain of rough seas by point (3)
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Financial Times Saturday July 3. 1860

COMMODITIES AND AGRICULTURE

Chernobyl lamb controls reduced

BY MAX WILKINSON, RESOURCES EDITOR

The area, in which radio-activity levels have been estab-lished to be below the "action Veterinary Record, Dr Bernard level" of 1,000 Bequerels per kilogramme, represents about 15 per cent of the total area still subject to restrictions as a result of the fallout from the

MR MICHAEL JOPLING, the three times the level which UK Agriculture Minister, vesterday announced that restrictions on the movement and slaughter of lambs are to be lifted in a further part of Cumbria.

The area in which Edde.

British housewife had shown confidence in lamb with prices this week "rather higher" than at the same time last year.

He said the Government was below those which would represent to consider compensating particular farmers for severe loss in specific circum-severe loss in lamb with prices confidence in lamb with prices declined.

The NFU has told Mr Jopling him that it is too early to estimate the extent of the loss which farmers will eventuate the confidence in lamb with prices c

Sansom, a former senior prin-cipal scientific officer at the Institute of Research on Animal Disease, says that the normal radiation level in a human body is about 6.000 bq/kg.

prepared to consider compen-sating particular farmers for severe loss in specific circum-stances as a result of the han, but seemed reluctant to sug-gest that any general scheme of compensation might be agreed.

Yesterday, the National Farmers' Union wrote to Mr Jopling to propose a detailed formula which would give all farmers in the affected areas the

Chernobyl nuclear disaster,
The cleared area is to the north and east of Cockermouth, the north west slopes of Skiddaw and the Ulldale Fells.
The maximum radioactivity is to maximum radioactivity level in these areas has been found to be about 450 bq/kg. However in other parts of North Wales and Cumbria radiation levels of up to 3,200 bq/kg have recently been found.

Although this is more than is about 6,000 bq/kg.

This results from eating foods which contain natural radio-radio to the points out that can radioactivity from caesium-137 taken in by eating lamb would be a small and temporary addition to the body's normal radiation level.

Yesterday, Mr Jopling to formula which would give all farmers in the affected areas the right to compensation for any loss that the ban may cause.

The 21-day ban, covering parts of North Wales and Cumbria was imposed on June 20, followed shortly afterwards by a similar ban for parts of Scotland. Only July 3, the ban was lifted in a small area of Wales and Cumbria because radiation

It says detailed monitoring will be needed to establish whether a higher than usual proportion of lambs will have grown too fat to qualify for the special payments.

Secondly it says that the enforced delay in bringing lambs to market may result in some deterioration of quality and a bunching of sales which could depress prices when they

It calls for a careful study of how prices in specific areas have compared with those for the national average in past years in order to estimate the effect when the ban is lifted.

Cocoa pact hopes rest on Ivory Coast

BY WILLIAM DULLFORCE IN GENEVA

was due to fly into Geneva yesterday evening where he may well decide the outcome of the negotiations on a new International Cocoa Agreement. It was Mr Bra Kanon, representing the world's largest cocoa producer, who walked out of the UN cocoa conference in of the Ore cooled to have wrecked the prospects for a new price-stabilising accord that would replace the one

the end of Yesterday after four days of resumed negotiations the big cocoa producing and consuming countries had come much closer to understanding. Producers

been "surprised and gratified" conference yesterday that the the maximum price revision to at the speed and the concrete Ivory Coast had been selling be 5 cents a pound instead of manner in which the producers had responded to the consumers' package offer, Mr its walk-out in February, The buffer stock issue may

The two sides decided yesterday to extend the conference into next week setting Wednesday as a deadline for assessing "future action." Today European Commission officials will work out a revised proposal on behalf of the Community, the biggest consumer, which will be put to the consumers' group as a whole on Monday and, if accepted, tabled for negotiation.

Producers and consumers are still some way apart on the

accepted, tabled for negotiation.

Producers and consumers are still some way apart on the reference price level to be adopted in the new agreement and on the semi-automatic price adjustment mechanism.

Several producing countries appear to be set for compromise, if the consumers will budge a little more, but the Ivory Coast position will be decisive. The EEC has made it clear that it will not accept a

had tabled their counter proposals to the consumers' opening offer which provided for an annual review of price levels and price adjustments according to buffer stock and currency movements.

Reports circulating within the participation of the Ivorians.

Reports circulating within the conference yesterday that the maximum price revision to the proposed by the content of the proposed by the content of

THE IVORY Coast agriculture minister, Mr Denis Bra Kanon, was due to fly into Geneva was due to fly into Geneva was due to fly into Geneva was regardly evening where he day to extend the conference are the level of the reference of cocoa and that is the current stock level. The director is authorised to buy 35,000 tonnes

> It is evident that he con-sumer's proposal would permit under unruly market conditions fairly frequent price adjust-ments. The Ivory Coast is understood to want an agree-ment allowing for no more than one price adjustment a year in addition to that permitted at the annual review.

> The EEC Commission may be able to juggle the elements in the price adjustment package but Community countries such as Britain, West Germany and the Netherlands are unlikely to accept a mechanism that would take prices too far away from market realities.

> Mr Thomas held out the hope yesterday that agreement would be reached next week but he also pointed out that there was no great flexibility left on the consumers' side "in relation to a package we believe would be economically sound."

Oil prices up in US, down in Europe

By Lucy Kellaway... OIL PRICES on either side of

OIL PRICES on either side of the Atlantic moved in opposite driections yesterday, with prices of Brent failing and prices of West Texas Intermediate rising.

In New York prices recovered briskly from yesterdays lows, with WTI up by nearly 50 cents to \$11.22 a barrel. Traders said that the reason for the rise was the publication on Wednesday evening of statistics showing an mexpectedly large decline in

US copper workers agree pay cuts

BY DAVID OWEN IN CHICAGO

US COPPER workers at Kennecott and Asarco have approved new labour contracts, which the past four years. will reduce overall remuneration packages considerably. The agreements follow similar ratification early last week of a 20 per cent wage and benefits cut at Newmont Mining's Magma and Pinto Valley opera-The Kennecott deal provides for a reduction of \$3.22 in the

company's hourly average wage to \$10.54. When cuts in asso-

recover some of its accumulated near \$700m losses over The three year Asarco agreethe past four years. ment provides for an average cut in hourly wages of \$2.67

necott to continue with the steepest during the first year of the biggest open cast copper mine in the world at Bingham.

The deal should enable Kennecott in mourly wages of \$2.57 per hour. Reductions will be steepest during the first year of the contract, when wage cuts the biggest open cast copper mine in the world at Bingham.

Capyon The contract will be made during the second. Canyon. The company aims to make the relatively high grade Bingham Canyon deposit the lowest cost producer in the

wil be made during the second year, with an additional \$1 per hour restored in the final year. The deal was ratified by 1,600 unionised workers.

Last night there was still no to \$10.54. When cuts in associated benefits are also taken
into account, analysts calculate,
the overall reduction works out
at some \$5.54 per hour. A
panies were venturing into the
\$1,000 bonus for approving the

Standard Oil, a BP subsidiary,
settlement at Inspiration
Resources, where bargaining
continues with representatives
According to weekly statistics
compiled by the American
Petroleum Institute, refinery

\$1,000 bonus for approving the pact will however be paid to some 3,400 workers.

Unlike Newmont and Asarco where new agreements are to run for three years, Standard Oil subsidiary, Kennecott, has negotiated a four year contract. This is consistent with the company's earlier insistence that it needed a four year period to The Cleveland based group lot: used from \$101.3m a year earlier.

Meanwhile, Phelps Dodge, the largest US copper producer, streamline its business and improve profitability. The round of labour talks, said it was planning to stop smelting increase the chances of Kennepany's earlier insistence that it cott remaining in the Standard pesterday to avoid violating redeated a four year period to

Petroleum Institute, refinery runs in the week to July 4 fell by 4.6 per cent, although they were still 1.3 per cent higher than this time last year.

The market had been concerned about the glut of product on the market and its conduct on the market and its conduct on the market and its con-

sequent effect on crude prices.
The news yesterday lifted product prices in the US,

John Elliott on efforts to boost domestic milk production

India's controversial dairy revolution

credits for the project, which aims at organising a total of 10m rural family-producers around India into 50.000 co-operatives producing 18m litres of milk a day on average for The programme started in

1970 and its first two phases finished last year with nearly 4m families in 34,500 co-operatives producing 8m litres a day. It was financed initially by the UN World Food Programme the Hague and the UK's Sussex and then by EEC food aid and World Bank Loans.

They allege that the programme is making India pergramme is making India pergramme.

agricultural project ever menently dependent on attempted in the world by Dr imported dairy products, that

Its aim is to use money raised animals are doomed. two by individual families, as a report, well as larger herds. Co-operawell as larger herds. Co-operatives then supply milk through marketing operations to the phase.

Countries such as China, the will turn to the US, which is This financed the purchase fertilisati Philippines. Pakistan and Sri separately providing him with of 875 road milk tankers, 148 which an Lanka have copied the pro- 127,000 tonnes of vegetable oil, rail tankers, 10 cold stores and buffaloes.

of burrer oil to India by 1990 to help finance the third and final phase of the country's Operation Flood programme of co-operative dairy development.

But altitudgit the Programme is reducing the reliance on imports and is regarded a success by India, which is the world's third largest milk profuse after the US and the Soviet Union, co-operatives only account for New York 1990 to help finance on imports and is regarded a success by India, which is the world's third largest milk profuse the programme of the programme of the programme is reducing the reliance on imports and is regarded a success by India, which is the world's third largest milk profuse of the reliance on imports and is regarded a success by India, which is the world's third largest milk profuse of the reliance on imports and is regarded a success by India, which is the world's third largest milk profuse of the reliance on imports and is regarded a success by India, which is the world's third largest milk profuse of the reliance on imports and is regarded a success by India, which is the world's third largest milk profuse of the reliance on imports and is regarded a success by India, which is the world's third largest milk profuse of the reliance on imports and is regarded a success by India, which is the world's third largest milk profuse of the reliance on imports and is regarded. The World Bank is expected to provide \$150m worth of IDA credits for the project, which aims at organising a total of the remaining 90 per cent is unorganised. But the co-operatives do now provide 80 to 70 per cent of urban milk supplies and in some areas are embarrassing authorities by providing a surplus,

Opponents of the scheme include middle-men, who are intentionally being put out of businesses, local politicians, some multi-nationals, and academics from as far afield as the Hague and the UK's Sussex University

Attempted in the world "by Dr Imported using products, that Verchese Kurien, chairman of surplus milk powder is being the National Dairy Development Roard (NDDB). Operation Flood has become highly controversial.

Imported using products, that powder is being dumped by the EEC and is under-cutting India producers, that poor farmers suffer, and that efforts to breed high grade

production, harnessing the out- and is sending a joint evaluation developments. put of millions of cows and committee with the World Bank A total of 344,000 tonnes of buffaloes owned in ones and to India this month to prepare two by individual families, as a report, and the property of the property of

major urban areas of India. In

Bombay, Delhi, Calcutta and does not receive the necessary at the present rate of
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THE EEC is expected to decide gramme or are considering plus further supplies from warehouses, 77 dairy plants, 17 canada, to help improve the cattle feed factories, 12 study production and marketing of farms, one animal vaccine oilseeds in India through centre, and extensive veterinary

co-operatives. The milk powder and butter oil provided by the EEC is used for two purposes. It goes to the NDDB and the Indian Dairy Corporation, also headed by Dr Kurien, to sell to consumers at market rates during the lean



season so allowing improved marketing to boost demand by selling food aid, plus the soft loans, to finance the development of India's milk that the points need examining are then used to finance dairy

The EEC will then decide supplied by the EEC since 1970, whether to finance the third first through the world food

oilseeds in India through centre, and extensive veterinary

Mr Kurien insists that the powder is not being dumped because he sells it at prices which will not undercut domestic producers. He says that six months ago India rejected an additional EEC offer of 100,000 tonnes a year of butter oil at one-third market price because it would have undercut domestic producers. He also emphasises that

reliance on imported milk powder is decreasing and India has no commercial imports of milk or milk products.

Points to be examined by the EEC committee include ways of improving milk production from Buffaloes. Of India's 224m head of cattle, about 80m are milk producing, including 50m cows which produce only 40 per cent of the milk while 30m she buffaloes produce the other

60 per cent. The EEC will also look at way of improving fodder production and availability, and at ways of using surplus milk production in a country where there is widespread mainutrition among people who cannot afford milk.

 India believes it has success fully produced the world's first pregnant buffaloes by artificial insemination. They are at Anand, headquarters of the NDDB. Dr Kurien says that if first through the world food programme and then directly, it would be an important step at the present rate of exchange).

This financed the purchase fortilization of milk-producing buffaloes. It could lead to cross fortilization of the purchase fortilization of the purchase fortilization. fertilisation between cows, which are sacred in India and

LONDON **MARKETS**

COCOA PRICES rose quite strongly on the London futures market yesterday reflecting improving hopes that the current negotiating session in Geneva will result in exceptant on an effective in agreement on an effective in agreement on an enercive price-supporting international cocca pact. The September position finished £55 up on the day at £1,358.50 a tonne. Coffee futures maintained their recent former tone with their recent firmer tone with the September position gain-ing another £19 to £1.675 2 tonne, for a rise on the week so far of £32 a toune.
Although physical offtake
remains slow and fundamental factors continue
bearish (with no frost likely) in the Brazil coffee belt in the immediate future) traders noted that there was talk of concern about availability of quality coffees for the final quarter of this year. LME prices supplied by Amalgamated Metal Trading.

ALUMINIUM

	Unofficial + c close(p.m.) - £ per tonne	Highlor
Cash 5 months	749-50 -1 756-7 +1	761/746 761/748
(761.5-2), 5), settlen	closing (am); (three months 7 nent 746 (752).	151-1.6 (254 Final Ker

	COPPE	n		
	Grade A	Inoffic's	+0	High/fow
	Cash 5 months	884-5 898.5-9	+ 10.5 + 10.5	885/883 901/895
	Official clo (875-6), thre 90), settleme close; 898-8.5	e months nt 883.5	895.	1-7 (889.5
1	Standard			

Official closing (am): Cash 847-8 (839-41), three months 872-3 (879-2), settlement 849 (841), US Producer prices 62-50-67 cents a pound. Total Tumpwar: 34 600

LEA)	1	_
	Unofficial + or close (p.m.) — E per tonne	Hightlow -	<u>u</u>
Gash 3 months	247,5-8 +1,25 251-8 +.75	247 253/249	k
(245.5-8.1 50.5), se Kerb clo	closing (am): Ca 5), three months 250 httlement 247 (246, use: 245-51. Turns US Spot: 21-24 cent	sh 246.5-7 J 3-50.5 (250- S 5). Final over: 4.950	ie E

	Unofficial + or close(p.m.) -	 High/low
Cash 5 months	2570-5 i —25 ·· 2610-5 i —15	2665 26 18/2578
5), settlen	closing (em): Cest three months 2,585 nent 2,580 (2,575). 0-15. Turnover: 1,41	Final Kerb

KUALA LUMPUR TIN MARKET—Close: git per kg. Up 0.05.

d s	ZINC			
y D		Unofficial close(p.m.) £ per to	· —	High /le
s	Cash 5 months	511,5-2.5 514,5-5	+2 +1.75	510 518/51
y 1	(512-3), the settlement close: 515-	closing (an ma month 610.5 (51 6. Turnov Western:	512.5-3 3). Fi ar: 11,00	3 (515-6 Inal Ke 10 tonne

GOLD

Gold fell \$\frac{2}{3}\$ an ounce from Wednesday's close in the London bullion merket yesterday to finish at \$347-347\frac{1}{2}\$. The metal opened at \$348\frac{1}{2}\frac{2}{3}\frac{1}{3}\$, which proved to be the day's high and touched a low of \$348\frac{1}{3}\frac{2}{3}\frac{1}{3}\frac{1}{3}\$. Demand for gold tailed-off as Wednesday's rumoured purchases by the Japanese authorities were not repeated.

Opening ... \$347.34712 (£28281;-289) Opening ... \$3481;-349 (£388 2281;) Win'g flx \$347.50 (£227,994) Aft'n'nflx \$346.80 (£228,489) GOLD AND PLATINUM COME

SILVER

Silver was fixed 2p an ounce lower for spit delivery in the London bullion market at 332.3p. US cent equivalents of the fixing levels were: spot 508.1c, down 4.9c; three-month 513.9c, down 5.35c; six-month 522.7c, down 6c. The metal opened at 3321-3334p (508-510c) and 12-month 5331-3334p (508-510c) and closed at 3331-335p (508-308c).

SILVER Buillon | + or LM.E. | + or per troy oz Price Unofficia spot 352,30p | -2.00331.5p | -2.00331.5p | -3.005p | -2.05329.5p | +1 6 months, 348,30p | -2.05 | -12 months, 364,30p | -3.00 | -1.00 | -1.00 ...LME—Turnover: 12 (2) lots of 10,000 gunces. Three months high/low 338p, final kerb 338-40p.

Cattle sales: Nii (nit) lots of 5.000 kg Pig sales: Nii (12) lots of 3.250 kg.							
μVE	CATTL	Ε	LIVE	PIGS			
Month	Yiday's	+ or	Yiday's close	+0			
lug lept lov an.,	98,80 98,00 92,80 99,00	-0,80 -0.50 -0.50	103.00 104.30	-			

MEAT COMMISSION—Average istatock prices at representative markets.

GB—Cattle 98.85p per kg lw (-0.23).

GB—Sheep 181.21p per kg est dcw (+18.55). GB—Pigs 75.47p per kg iw (-0.21).

INDICES CRUDE OIL futures rose slightly due to a fall in both

REUTERS July 10 July 9 Mith ago Year ago 1412,6'1488,5 1550,8 : 1727,5 (Base: September 18 1831 = 190) DOW JONES Jones 9 8 ago ago Spot 124.69 125.42 — 117.45 Fut. 111.70 111.26, — 118.67

MAIN PRICE CHANGES in tonnes unless otherwise stated.

	•	July 10 1986	+ =	Month 200
	METALS			
	Aluminium		1	
	Free Market	\$ 12 15/245		# 1270/200
	Copper	£684.5	+18,5	2948.5
	5 mths	2898 75	1 + 10.6	F948:6
	Gold Troy oz	8347,85 £947,75	—U,S ±1.95	2347,20 12275.5
	5 mths	£251.5	+0.75	2979
	Nickel	i .	₹	į
	Free Mikt	81 12 00	+0.20	2113.76
	Dieticum oz	433.75	I5.50	18450.50
	Quicksilvert Silver troy oz	8196:205	- 2 66	1556 96c
	3 months	340,05p	-2.8	364,20
	free inkt	CZEROWSZE		C5880/50
	Tungsten	274 49		1950-13
	Wolfram 22,805		i	\$42,50 CB45
•	Zinc 5 m anths	£514.75	+ 1.76	2547.5
_				****

OTHERS 161358.5 + 58 21337 21676 + 19 21813.5 38.25c -0.2941.80c 497 + 0.75121 167.5 -0.5 57p (5133.5) + 4.5 163.5 355p kilo - 5 422pkilo

COCOA

s traded actively throughout and, after moving through the barrier, attended further to 5 above the previous evening, s sold into the rally on a basis but consumers were to re-enter the market, re-ils and Durius.

£ per tonne Seles: 5,340 (3,250) lots of 10 tonnes. ICCO indicator prices (US cents per paund). Daily price for July 10: 90,90 (87.93); five-day average for July 11: 99,17 (88.64).

Sales: 3,874 (2,510) lots of 5 tonnes. ICO indicator prices (US cents per pound) for July 9: Comp daily 1979 137.60 (137.04): 15-day average 144.18 (145.01).

SOYABEAN MEAL

	Y'ster d'ys close	+01	Business Done	•
Pec	£ per tonne 120,8-120,9 120,5-121,8 125,5-124,9 125,9-124,9 121,9-125,0 122,5-125,5	-0.25 -0.15 -0.25	127, <i>0</i> -120,6 121,8-120,5 123,5	

Business done—Wheat: July 116.35-5.50, Sept 98.45-9.35. Nov 102.35-2.15, Jan 105.45-5.30, March 108.00-7.90, May 10.15. Sales: 234 lots of 100 tonnes. Barley: Sept 98.70-8.55, Nov 102.00, Jan 105.10, March 107.60, May 108.20. Sales: 52 lots of 100 tonnes. BARLEY

May. 110.15 — 109.20 +0.10

LONDON GRAINS Wheat: US Dark
Northern Spring No. 1, 15 per cent:
Aug 93.50. Sept 93.25, Oct 94.75 sellers
transhipment East Coast. US No. 2
Soft Red Winter: Aug 86.50, Sept 97.00,
Oct 88.75. EEC second-hell July 117.00.
English Feed. fob: Sept 107.00-101.75,
Oct/Dec 105.75-108.50, Jan/Merch
110.75-111.50, Apr/June 114.50-115.25
buyers/sellers. Maize: US No. 3 Yellow/
French transhipment East Coast: July
135.00. Barley: English feed. fob: Aug
98.50-100.00. Sept 101.00-102.50, Oct/
Dec 106.00-106.50, Jan/Merch 110.75111.50 buyers/sellers.
Old crops saw early nervous long
iquidation before the trand reserved
due to keen short-covering on leck
of news of intervention release. New
crops steadled on shipper/fob covering
absorbing country hedgs selling,
reports T. G. Roddick.

SUGAR

LONDON DAILY PRICE—Raw suger \$135.50 (£88.00), up \$4.50 (up £2.50) a mone for July-August delivery. White a tonne for July-August deli sugar \$173.00, up \$7.50.

No. 6 Yest'rdy's Previous Business done 8 per tonne F.O.B.

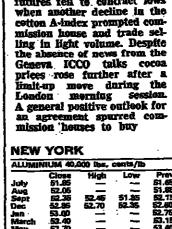
Sales: 3,739 (2,178) lots of 50 Sales: 3.78 (2.178) lots of 50 tonnes.

Tate & Lyle delivery price (or granulated basis augar was £192.00 (£197.50) a tonne for export.

Informational Sugar Agreement—(US cents per pound fob and stowed Caribbean ports). Prices for July 9: Daily price 5.22 (5.30); 18-day average 5.71 (5.77).

US MARKETS

crude and gasolene stocks published by the API on Wednesday night despite news of increased output by Opec, namely Sandi Arabia, and lack of demand on the physical market, reports Helnoid. Prices for heating coli also rese, although stocks had shown an increase, but confidence was boosted by the performance in the gasolene and crude markets. Cotton futures fell to contract lows



prices rose further after a limit-up move during the London merning session. A general positive outlook for an agreement spurred com-mission houses to buy

High Love 164.00 161.00 187.25 163.25 170.75 167.90 173.51 171.00 174.50 174.50

COTTON 50,000 lb, cents/lb

GOLD 100 tray or, \$/tray oz

CRUDE OIL (LIGHT) 42,000 US galions, S

Dry Cargo

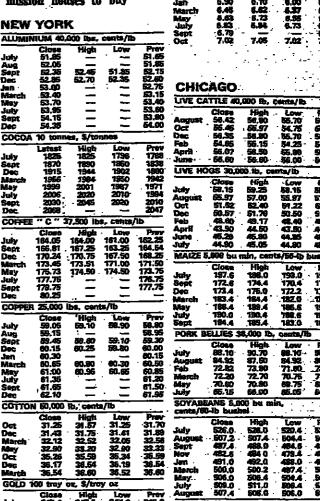
Turnover: 192 (83).

POTATOES

RUBBER

| Yesterdays | Previous | Business | close | c

Seles: 1,421 (1,231) lots of 40 tonnes. Earlies—July 92,50, -2,50: Aug 82,50, -2,80: Sept 87,50, -5,00. Sales: Nil ots of 10 tonnes.



High 439.6 442.5 444.5 444.5

567.5 \$57.5

Prev 10.77 10.61 10.83 11.03 11.44 T1.16 T1.43 Jan. 17.30 17.45 11.65 11.37 11.23 March 17.30 17.45 11.65 11.37 11.32 May 17.60 17.80 11.40 11.41 July 17.92 18.07 11.85 11.50 11.49 August 17.90 18.07 11.85 11.70 11.65 WHEAT 5.000 bu min. cunts/80-lb bushel 17.45 17.50 18.05 18.00

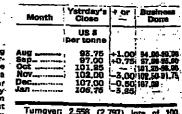
FREIGHT FUTURES

August WTI opened 18c up on the Nymex and traded 50c up at 1.30 am EDT reflecting technical firming. The forward Brent and Dubai markets were little affected by the Nymex movement but the volume of trade in these markets was below recent levels. All products were thinly traded in nervous markets—Petroleum Argus, London:

July | 560/562 | 561/559 | 568/569 |
Oct. | 657/636 | 641/636 | 645/646 |
Jan. | 670/873 | 671 | 576/738 |
April | 736/736 | 736-738.5 |
July | 650/650 | 640/670 |
Oct. | 725/735 | 720/740 |
Jan. | 725/735 | 730/780 |
Jan. | 725/765 | 800/890 |
BFI. | 576.5 | 879.0 |
879.0

PRODUCTS North West Europe
Prompt delivery off (8 per tonne)
Premium gasoline... 144-149 II
Gas Oli 88-88 III
Heavy fuel oil 48-48 III
Kaphtha 82-85 III

GAS OIL FUTURES



A STANDARD backed by legislation to make mattresses resistant to smouldering cigarettes,

Minister.

Specifications drawn up by the National Bedding Federation would be reinforced by the publication of a British Standard method of testing, he said. They would then be adopted as law under the proposed Consumer Goods; and Services Bill. Minister. Services Bill

Mr Howard said: "By the end of the year, the great majority of mattresses on sale in this country will be resistant to ignition by a smouldering cigarette."

July 149.2 August 142.9 Sept 140.4 Oct 138.3 Dec 139.5 148.1 Heach 142.2 May 145.7 July 148.0 High 18.48 16.51 15.63 16.68 17.10 17.25

SPOT PRICES—Chicago loose lard 14.00 (seme) cents a pound, Handy and Hannen silver bullion 507.0 (508.5) cents per troy ounce.

The dry cargo market eased in limited including despite some short-covering. The index registered a new record low. The tanker market was affected by veaker oil prices, reports Clarkson has a contract of the contract of th

980/990 980/1000 975 1010 1030/1050 1100/1135 1118.5

In this volume during the morning April traded 24.40 down before recovering due to further speculation over the release of possible PMB planted area figures next week and on concern over reports of poor tuberisation and early-blooming which have been filtering on to the market recently, giving highest closing price this session, reports Coley and Harper.

for mattresses

was announced yesterday by Mr Michael Howard, Consumer

PHYSICALS — The London market opened unchanged, attracted little interest throughout the day and closed undertain, reports Laws and Peat. Closing prices (buyers): Spot 57.006 (57.50p): Aug 58.00p (56.50p): Sept 56.00p (56.50p): Sept 56.50p (56.50p): Sept 56.50p (56.50p): Aug 56.50p (56.50p): FUTURES—Index 56.50p (56.50p): Sept 56.50

Turnover: 2,558 (2,797) lots of

Safety standard

CURRENCIES, MONEY and CAPITAL MARKETS

JAPANESE YEN — Trading range against the dollar in 1986 is 262.79 to 186.50, June average 167.50. Exchange rate index

CURRENCY MOVEMENTS

CURRENCY RATES

OTHER CURRENCIES

Iran 14355 17.75 Kuwak 10.44060.4410(a.2885.0.2947 Lun'burg 67.80-87.90 44.70-44.80 Maleysia. 4.01004.01602.64002.6510 N'Z'land 28420-8.8510(1.8666-1.8746 Saudi Ar 5.6868-5.6920(3.7510-5.7520 Sin'pora 5.3120-3.170-2.1886-2.1875 8 Ar. (Cm) 3.8640-8.8965(2.5575-2.5641 8.Ar./Fn) 6.5050-6.7960-4.5010-4.4948 U.A.E...... 5.5675-3.5730,3.5725-3.6735

EMS EUROPEAN CURRENCY UNIT RATES

Sterling

U.S. dollar

Canadian dollar

Austrian schilling
Belgian franc

Danish Kroner

Daytacha mark

Belgian franc

Guilder

Franch franc

Yen

Bank of Morgan England Guaranty Index Change %

74.9 -16.6 113.7 +4.4 78.6 -11.9 127.3 + 7.5 85.2 - 7.5 85.1 - 1.0 126.0 +15.4 161.9 +18.9 126.1 +2.9 69.1 -13.6 46.5 -17.8 213.0 +57.1

CHICAGO

94-08 94-11 94-00

Letest High Low 94.43 94.44 94.39 94.42 94.46 94.49 94.27 94.29 94.25 94.04 94.06 94.03 93.78 93.81 93.78 93.63 93.55 93.53 93.29 93.32 93.29

Listact High Low 93.53 93.55 93.56 93.46 93.42 93.42 93.42 93.42 93.42 93.42 93.42 93.42 93.42 93.42 93.42 93.42 93.42 93.42 93.42 93.43 93.43 93.43 93.43 93.43 93.43 93.43 93.43 93.43 93.43 93.43 93.43 93.43 93.43 93.43

STERLING INDEX

10.00 am 75.2 11.00 am 75.3

2.00 pm 75.0 3.00 pm 74.7

4.00 pm 74.9

+0.73 +0.76 +0.01 -1.47 -0.05 -0.37 -1.05

July 10 Previous

75.6

75.6 75.6

75.5

75.6

75.5

±1.5388 ±1.8406 ±1.1202 ±1.3701 ±1.6061 ±1.6569 ±4.0788

Prev 93.79 93.60 93.14

CERT DEPOSIT (IMM) Sim points of 100%

FOF	RE	GN	 E)	CC	H	AN	IG	ES		
•	٠.	11	 	•:					-	

Dollar narrowly weaker

July 10

STERLING — Trading range against the dellar in 1986 is 1.5555 to 1.3700. June average 1.5809. Exchange rate index 74.9

The dollar was down from Wednesday's closing levels yes terday but remained within its recent trading range. Once again attention focussed on the timing £ IN NEW YORK of a possible cut in the US dis-count rate. Dealers were reluc-tant to push the dollar outside a range of DM 216 to DM 219 against the D-Mark, being bound 2 Spot S1.519-5170 | 31.5515-1.525 1 month 0.44-0.41pm 0.45-0.41pm 2 months 1.25-1.22pm 1.26-1.27pm 12 months 4.40-4.50pm 4.88-4.20pm Forward premiums and discounts apply to the US dollar compared with FFr 6.9975. On Bank of England figures, the dollar's exchange rate index fell to 113.7 from 113.9.

against the frame, seeing sound on one side by fears of central bank intervention and on the other by a general feeling that US rates have to fall in order to stimulate economic growth. There was considerable debate short, whether the US admin-There was considerable debate about whether the US administration would cut the discount rate even if a similar move was not forthcoming by West Germany and Japan. Some suggested that a worrying rise in US money supply limited the authorities' options while others argued that threats of concerted central bank intervention without participation by the US Federal Reserve would ultimately have only a limited effect Comments by the Governor of the Bank of Japan stressed that the Japanese authorities had no immediate plans for a cut in their discount rate.

REPRESENTED A SON STREET OF THE SON STREET OF TH

Germany and Japan. Some suggested that a worrying rise in US money supply limited the authorities options while others argued that threats of concerted central bank intervention without participation by the US Federal Reserve would ultimately have only a limited effect. Comments by the Governor of the Bank of Japanese authorities had no immediate plans for a cut in their discount rate.

The dollar closed at DM 2.1745 from DM 2.1830 and Y160.35 Elsewhere it slipped to SFr 1.7775 DMARK — Trading rate index 74.9 down from an opening of 75.5 range against the dollar in 1986 in 1986 in 1986 in 1988 in 1986 in 1988 in 19 POUND SPOT-FORWARD AGAINST POUND

7.4 1.28-1.23c pm : 1.78 0.91-0.76 pm 1.78 0.91-0.76 pm 2.01 52-37 pm 3.01 54-45 pm 1.52 4-32 pm 0.93 0.30-0.10 pm 5.48 4-41 pm -4.20 195-265 dis -4.18 112-127 dis -3.12 7-55 pm 0.27 3 pm 4. dis 5.55 37-34 pm 5.28 293-284 pm 5.57 37-37 pm 1.57 37-37 27-37 37-37 27-37 37-37 27-37 37 Close One ssouth Beiglan rate is for convertible francs. Financial franc 68.35-68.45. Six-month forward dollar 2.42-2.36c pm. 12-month 4.46-4.33c pm.

DOLLAR SPOT-FORWARD AGAINST DOLLAR

One month p.s. months p.s. (1.46-0.42c pm 3.45 1.28-1.23 pm 3.21 (1.46-0.25c pm 3.65 1.20-0.30 pm 2.50 (1.80-0.21c dis -1.70 0.77-0.92 dis 1.73 (1.80-1.40 pm 4.76 ps -2.72 5.5 dis -0.31 (1.80-1.40 pm 4.76 pm 2.75 1.77-1.12 pm 2.11 (1.80-180c dis -10.47 250-550 dis 18.74 (1.80-180c dis -5.03 17-20'; dis -5.03 17-20'; dis -5.03 17-20'; dis -5.03 17-20'; dis -5.03 1.80-2.00 dis -3.22 5.40-5.00 dis -9.37 (1.80-2.00 dis -3.22 5.40-5.00 dis -9.37 (1.80-2.00 dis -3.22 5.40-5.00 dis -3.25 (1.70-0.32 pm 3.25 pm 1.57 (1.80-0.00 dis -2.36 0.00-0.85 pm 1.57 (1.87-0.32 pm 1.96 7-5 pm 1.57 (1.87-0.32 pm 1.96 pm 1.9 Day's spread Closs
1.5110-1.5336 1.5180-1.5170
1.3820-1.3878 1.3865-1.3865
1.2080-1.3788 1.3773-1.3780
2.4600-2.4525 2.4485-2.4485 2.4400-2.4525 2.4485 2.4485 0.18-0.13c pm 44.153-44.80 44.70-44.80 per-2 c dis 8.124-8.124 0.80-1.40ore dis 1.275-2.1775 2.1740-2.1750 0.44-0.41pf pm 1482-149 1485-149 138.10-138.70 138.30-138.40 100-150c dis 7.462-7.495 4.40-4.30ore dis 7.462-7.492 4.40-4.30ore dis 7.462-7.492 4.40-4.30ore dis 7.07-7.11 90.30-138.40 100-150c dis 7.07-7.11 90.30-138.40 1.30-2.00ore dis 7.07-7.11 90.30-138.40 1.30-2.00ore dis 7.07-7.11 90.30-138.40 1.30-2.00ore dis 7.07-7.11 90.30-2.30ore dis 7.32-7.30 1.7770-1.7780 0.37-9.32c pm 1.7770-1.7780 0.37-9.32c pm

EXCHANGE CROSS RATES : ** -

MONEY MARKETS

YEN 4.111 6.824 15.56 1000, 43.50 11.06 15.27 9301 8.684 278.9

Ffr. 0.945, 1.435 5.116 229.9, 10. 2.547 3.511 2138, 1.973 64.19

Ffr. 0.371 0.565 1.224 90.26 3.937 1. 1.378 836.5 0.775 25.18

HFL 0.269 0.468 0.886 65.46 2.849 0.725 1. 6692 0.00 0.862 18.96

C.E. 0.479 0.726 1.579 17.76 1.00 0.886 65.48 2.849 0.725 1. 6693 1000, 0.923 29.99

C.E. 0.479 0.726 1.579 17.57 1.075 C5 0.479 0.726 1.579 116.5: 5.068 1.391 1.779 1084, 1. 32.50 BFr. 1.474 2.235 4.860: 358.6: 15.60 2.978 5.475 3356, 3.077 100 Yen per 1,000: French Fr per 10: Ura per 1,000: Beig Fr per 100.

EURO-CURRENCY INTEREST RATES

10-101s 51-10rs 97s-10
65-64s 64s 64s-64s 61-515
51-515 55-55 55-55
64s-44s 44s-44s 43-44s
7-7-7-8 71-7-72s 71-7-72s
114-114 114-114 111-115 71g-71d 7-71q 41g-4-5 91q-95q 64q-67g 714-714 | 714-734 | 714-734 7-712 | 7-714 | 7-714 44-415 | 414-4.5 | 414-45 814-9 | 814-834 | 814-9 612-712 | 612-712 | 612-612 Long-term Eurodollars: Two years 7-74 per cent; three years 7-74 per cent; four years 7-8 per cent; five years 8-84, per cent nominal. Short-term rates are call for US Dollars and Japanese Yen; others, two days' notice.

FINANCIAL FUTURES

Gilts weaker

2.4716 to 2.1640. June average 2.3320. Exchange rate index 136.0 against 131.8 six months Trading was rather quiet and lackinstre in Frankfurt yesterday. While dealers were expecting a cut in the US discount rate, there were severe reservations about pushing the dollar beyond its recent trading range for fear of prompting central bank intervention. The dollar was fixed at DM 2.1749 against DM 2.1738 without any intervention by the Bundesbank and it closed at DM 2.1730 from DM 2.1810.

JAPANESE YEN — Trading

Sterling denominated interest rate contracts weakened on the London International Financial Putures Exchange yesterday. Long term gilt intures for September delivery opened firmer, at 123-14, underpinned by the strength of the US bond market overnight. News that Mr Satoshi Covernight. at 123-14, underpinned by the policy has been eased enough, the comments from Tokyo and strength of the US bond market and interest rates are at record overnight. News that Mr Satoshi lows.

Sumita, Governor of the Bank of Japan, was to hold a press conference pushed prices up exchange rate index and against the comments from Tokyo and Washington on interest rates had a depressing impact, US Treasury bond futures recovered, to close at 100-04 for September delivery, after touching 99-21.

Puts-Last Sopt Dec 1,000 0.52 0.57 0.50 0.52 0.53 1.22 0.00 0.14 0.50 2.33 0.00 0.68 1.44 4.51 0.15 2.22 3.30 8.33 3.32 5.11 6.20 8.28 8.30 9.17 10.02 12.82 Puts 3

Putra-Last
July Aug Sapt Dec
- 0.05 0.35
- 0.10 0.89
- 0.70 1.40 3.30
0.15 2.20 3.05 5.50
3.40 5.30 6.30 8.56
8.55 9.40 10.30 12.30

LONDON

Closs High Low Prev
Sept 122-02 122-19 127-31 123-03
Dec 121-31 123-07 122-00 122-27
March 121-25 — — 122-23
June 121-25 — — 122-19
Estimated volume 15.057 (12,495)
Previous day's open int. n/s (14,935)
Basis quote (clean cash price of 13%
Treatury 2004-08 less equivalent price of near futures contract) —4 10 4
(32hgb)

Close High Low Prev Sept 101-55 102-10 101-55 102-09 Dec 101-55 — 102-09 March 101-55 — 102-09 Estimated volume 65 (69) Previous day's open int. 782 (765)

Close High Low Prev
Sept 90.34 90.48 90.23 90.42
Dec 90.55 90.88 30.45 90.41
Alarch 90.50 90.60 90.44 90.41
Alarch 90.35 90.60 90.44 90.61
June 90.35 90.42 90.40 90.48
Sept 90.22 — 90.38
Estimated volume 5.374 (4.595)
Previous day's open int. 15,715 (16,030)

THREE-MONTH STERLING £500,000 points of 100%

FT-SE 100 INDEX £25 per full index point

the D-Mark, put further down-ward pressure on the contract. It fell to a low of 121-31, and closed at 122-02, compared with 123-03 previously.

July Aug Sept Dec — 0,50 1,50 0 70 0,00 1,40 2,70 0,20 0,70 1,40 3,30 0,20 2,40 3,20 5,60 3,70 5,00 6,10 8,30 8,70 13,70 13,70 13,60 13,90 15,80 8,50 15,80 8,50 15,80 8,50 15,80 8,50 15,80

June

US TREASURY BONDS 8% \$100,000 32nds of 100%

Sept 100-04 100-10 98-21 99-09 Dec 99-12 99-16 98-03 98-19 Estinated volume 8,472 (8,877) Previous day's open int. 7,275 (7,377)

CURRENCY FUTURES

Sept 1.5070 1.5120 1.5025 1.5220 Dac 1.4955 1.4995 1.4905 1.5120 1.5025 1.5105 March 1.4900 1.4800 1.4720 1.4885

IMM-STERLING Se per E

VALUE OF

Calis—Last Dec Calis—Last Suly Aug Sept Dec 19.80 19.8

In the afternoon Mr Larry Speakes, a spokesman for the White House, denied the Reagan

BEAT DJI BY 300% SY ASUGE
SY Million to the Grown to over
\$22 Million with Income \$ Profits
Rathress after congressions
1973-1985 without leverage or
market timing. Advice on
Undervalued Grownth Stocks
Missimum Portiolio \$50,000
Write or call:
Edwin Hergett & Company \$A
Avenue de Savole 10, Suits 2A
CH-1003 Lausenne, Switzerland
Teles: 24631

Legal Notices THE COMPANIES ACT 1986
HEROY LIMITED
NOTICE 1S HEREBY GIVEN, pursuent
to Section 588 of the Companies Act
1985, that a Meeting of the Craditors
of the above-named Company will be
held at 1 Raymond Buildings. Gray's
linn, London, WCIR 58N on the 14th
day of July 1988 or 3 00 in the atternoon, for the surposes mentioned in
Sections 589 and 590 of the said Act.
Dated this 27th day of June, 1985.
By Order of the Beard
E. DUCREST, Director

Company Notices

NOTICE OF REDEMPTION KINGDOM OF DENMARK

1378-1379; 3725-3726; 5547-6548; 7000; 7154-7163; 7277-7478; 11092; BANQUE INTERNATIONALE A LUXEMBOURG

CITY FEDERAL SAVINGS AND LOAN ASSOCIATION HAS BECOME CITY FEDERAL SAVINGS BANK

THE ROYAL BANK OF CANADA US\$350,000,000 ating Rate Debentures

due 2005 In accordance with the terms and conditions of the Debentures, the interest rate for the period July 14 1986 to August 14 1986 has been fixed at 615 per cent per annum. On August 14 1986 interest of USSS.97898 per USSI, 200 nominal amount of the Debentures will be due for payment. The rate of interest for the period commencing August 14 1986 will be deter-mined on August 12 1986.

Orion Royal Bank Limited Agent Bank and Principal Paying Agent

VALUE OF

NOTICE OF RATE OF INTEREST BANQUE EXTERIEURE USSSS.000,000 FLOATING RATE
SERIAL NOTES DUE 1989
In accordance with the provisions of
the accordance with the provisions of
1979, notice is berefit grey fallower
the accordance with the accordance ac

CURRENCY

SWORLD VALUE OF THE DOLLAR 1723 T BANK OF AMERICA NT & SA, ECONOMICS DEPARTMENT, LONDON

The table below gives the rates of exchange for the U.S. dollar against various currencies as of Wednesday, July 9, 1906. The exchange rates listed are m rates between buying and selling rates as quoted between hanks, unless otherwise indicated. All currencies are quoted in foreign currency units per one dollar except in certain specified areas. All rates quoted are indicative. They are not based on, and are not intended to be used as a basis for, partic

ility for errors. Bank of America, Economics Dept., London Eurodollar Libor as of July 9 at 11.00 a.m. 3 months: 612 6 months: 613 ECU=\$US.986943 SDR1-\$U\$1.18732

CDUNIKY	CONDENCY	DOLLAR	COUNTRY	CURRENCY	DOLLAR	COUNTRY	CURRENCY	DOLLAR
Mehanistan	Alcheel (c)	50.60	Greece	Drackes	138.85	Papus New Guires	KGea	0.9785
Afghanistan	Lek	6.5940	Greenland	Danish Krone	8.085	Paragray	(Guereni (o.c.)	240.00
Algeria	Dinar .	4.90	Graduloupe	E Christian \$	2.70	Be-	(Cranani (D)	674.50 13.95
Ando-172	(French Franc Spanish Pereta	6.955 138.30			4.955 2.00] Philiplac:	Peso	20.44
Angels	Kuerze	29.91B	Contestats	(Quetzel (a)	1 1.00	Plicain, tstaets	, N.Z. Dollar	1,8734
Aptiges	E. Caribbean \$	2.70		(Quetoni (b, D	2.85	Poland	Ziety (a)	165.17
Argentina	Austral	0.891	I Guinea Bissau	Pesa	270,479	Portugal	Escudo	148.38
Arabi -,,	Floria	1.80	Guinea Republic	Frant,	340.00	Puerto razo	. U.S. D	1.00
Apprelle	Dellar Schillen	1.583 15.245					KOJAL Smrth Broom	3.647
Appris	Portuguese Esculo	148.38	Gayana	Dellar	4.3094	Reunion Isle de la	(les (e)	6.955 4.45
Baharies		1.00	MPG	() earlier	5.00 2.00	Romania ,	Les (c)	12.63
Bubraka	Diear .	0.3769	Heiti	(Complex (d)	255	Rwands	Franc	86.5061
Balearic Islands	Spanist Peseta	138.30	Hong Kang	Dollar	7.832	St. Christopher		2.70
Bartadet	rece Nation	30.30 20113	Hong Kong	Foriat.	45.248	St. Helens	Presid*	1.534
D 1-4	(Franc. (e)	44.57	ictiand	Kryssa	40.21	St. Lucia	E. Caribbean \$	2.70
Belgium	(Franc (f)	44.925	india	Repor	12.40	St. Plerre	French Franc	6.955
Beilze	Dollar	2.00	iras	Rhyphair Chail (a)	1132.00	Samos (Western)	E Carobene \$	2,70 2,203
Benin	C.F.A. Franc	347.75 1.00	Iran	rom (b) Circo	77.7384	Samos (115)	12. S	1.00
Beista	Norteen	12.40	Irish Republic	Post*	1.3909	Sanot (US)	ومثا مظمرا	1487.50
	(Peso (o)	1906000	ister	New Shekel	1,495	São Tomé & Principe DR	Dobra	38,1113
OPPT	(Peso (I)	1937500.			1487-50	Saudi Arabia Senegal Seychelles	Riyal (2)	3.751
Dotressa	Paris	2,0408	Januara	Dollar (a)	5.48	Sereption	C.F.A. Franc	347.75 6.0932
Brazi	Dollar	13.94	Japan	Ten Piana	159.95	Serra Leont	Leone (3)	4.92
		0.941		outer .	0.3266	Singapore	Dollar	2.183
Barkina Faso	C.F.A. Franc	347.75	Kanna	10el	RA	Solomon Islands	Dollar	1.7236
Burne	Kyat	7,1662	l Krije	The state of the s	16.1751	Somali Republic	Shiring (Dane) (A)	36.00 4.415
		203.342	Kenya	Wos	0.94	South Africa	Rand (c)	2,5349
Çamerous Rp	C.F.A. Franc	347.75	Kores (South)	Wos	884.60	SpainSpainSparist ports to Sparist ports to North AfricaSri Lants	Peseta.	138.30
Canada	Dollar Spanish Peseta	1.3788 138.30	Kewalt	Distr	0.2908	Spanist ports in		
Cape Verde Stands	Spanish resear	89.2698	Lates P'les D Rep	Kip	35.00	North Africa	Spanish Peteth	138.30 28.02
Course Islands	Dollar	0.835	Letense	Posted	42.00 2.5349	Sri (1942	Rupee (Poppel (n)	245
Cantral Africa Ren	C.F.A. Franc	347.75	Liberia	Dollar	235-7	Sudan Republic	Posed (c) Posed (c) Posed (f)	2.93
Charles	C.F.A. Franc	347.75	Lbja	Diese	0,3239		(Pound (f)	4.00
Chile	Peso (o) Resmissi Yana (4)	191.40	Liechteristeln	Swiss Franc	1.769	Seriasan	Guilder Lilangeni	1.785
Colombia	Peso (a)	3.704 194.61 347.75		Consisted Lieut	44.57	Setzitard	Linesperg Kronto	2.5349 7.0685
Comorns	C.F.A. Franc	347.75	Marzo	Pataca	8,1206	Switzerland	Franc	1769
Congo People's Rep. of	C.F.A. Franc	347.75	Madagescar Dem, Rep Madeira	Princ Continuous Counts	684.65 148.38	S -1 0	Poend (e)	3.925
Costa Rica	C.F.A. Franc	57,075 347.75	Makeul	Kusteka	1.8192	Taiwas	Dollar (a)	38.07
Cabe	Pett	0.8682	Majaysia	Rimonik	2.633	Tauraig	Shilbing	40.15
Caschesionalia	Postal*	1,9905	Majaysia	Refran	7.00	Theiland	Baht	25.19
Czechosiewicz	Konsee (s)	6.00	Mail Republic	C.F.A. Franc	347.75	Togo republic	C.F.A. Franc Paranca	347.75 1.583
Deterark	Krone	8.085	Marinique	E	2.5974 6.995	1454 156 Marian	(Dollar	2,409
Djibosti Rzp. of		177.90 2.70	Magritaria	Annalus Annalus	74.82	179440 & 100490	Dollar (b)	360
	(Reso.	2.75	Magrithus	Recen	13.00	Tonista	Dinar	0.756
Dereinicas Republic	(Pesa (d)	2.75	Mexico	(Pesa (d) (Pesa (d)	653,50		Line	684.04
· .	(Sucre (d) Sucre (f)	366.90		(Pess (s)	586.80	Turies & Calcos islands	115 S	1.00
Econor	LSucre (f)	109.25	Migaelot	French Franc	6.955	Tercala	/Shillen (m)	1.583 4960.00
Egypt	{Pound (c)	0.83	Manager	French Franc	6.955 3.3555	ـــــــــــــــــــــــــــــــــــــ	Sheller (2)	2400.00
	(Popula CD)	133 500	Montserrat	F. Codings S	2.70	United Arab Emiratis	Distribut	3.673
El Salactor	Colon (d)	5.00	Morocco	Dirtiem	8,96	Valted (Gingdom	Pound Sterling*	1.538
Secretarial Calcon	C.F.A. France	347.75	Mozambique	Metical	40.61	Uruguay	Peso (m)	150.75
Ethiopia Fagrae Islands	Birr (a)	2,0665	Mamble		2,5349	USSR	Rouble .	0.7025
Faerne Islands	Denish Krone	8,085	Nazru Islands	Australian Coller	1583			92,646
Falkdarsi Islanda	Popul"	1.534	Nepal	Rupee	20.50	سِسر ۱۳۰۰ ۱۳۰۰ ۱۳۰۰ ۱۳۰۰ ۱۳۰۰ ۱۳۰۰ ۱۳۰۰ ۱۳۰	(Bollinge (e))	1487.50
Fij	Dollar Maridea	1.1527 5.063	Magre Islands	Guilder	2.442	Ventruela	Bother (a) (1)	7.50 4.30
France	Franc	6,955			1,86		Bolher (a)	1934
Essaris C'iv in Africa	C.F.A. Franc	347.75	New Zeniani	VOSE:	1.8734 70.00	Vietnam	Dong I	12.0019
French Guitain	Franc	6.995		Carriego (ca	79,00 975.00	Vjegin (shads (Britisk)	US \$.	1.00
French Guiana	C.F.P. Franc	126,454	Niger Republic	C.F.A. Franc	347.75	Virgio Islands (US)	123 \$	1.00
G2008	C.F.A. PRINT	347.75	Migeria	Naita	1,1753	Venner DIAD	rues Char	9.50
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Chert	V-CSI	90.00 1.534	Pakistan	Rabes	1.00	Zimbabas	Coller	1,734
Citroliar	- 1200	المهوجيد ا						

n.a. Not amiliable. (nt) Mariest rate *U.S. dollars per National Currency mit. (a) Fraesmertest central bank. (b) Official rate. (b) Freesmertest interbank. (c) Freesmertest. (c) Controlled. (f) Freesmertest rate. (g) Preferential rates. (h) Non essential imports. (l) Finating Borist rate. (l) Public Transaction Rate. (l) Agricultury predates. (l) Priority Rate. (l) Management Free debts incurred prior to February 1963. (2) Saudi Arabia, 1 June 86: Riyal devalued by 2,70%. (3) Sterre Latent, 27 June 86: Lein fronty Rational, 2 June 86: Riyal devalued by 2,70%. (3) Sterre Latent, 27 June 86: Riyal devalued by 2,70%.

Lower pound underpins London rates

Sterling's weakness on the foreign exchanges created a slightly nervous mood on the London money market yesterday, but the net result was to further set back the prospects of lower UK bank base rates, rather than put any significant upward pressure on the market. Three-month sterling interbank finished unchanged at 10-10‡ per cent.

The fall of oil prices to the lowest level for 12 years left the pound's exchange rate index at a four-month low, adding further cent; film Treasury bills in band 2 at 9‡ per cent, sad \$15m bank bills in band 2 at 9‡ per cent, and \$15m bank bills in band 2 at 9‡ per cent, sad \$15m bank bills in the afternoon another \$502m bills were purchased outside, through \$18m bank bills in band 2 at 9‡ per cent, \$435m bank bills pound's exchange rate index at a four-month low, adding further weight to the view that UK interest rates will not fall in the immediate future. This followed another set of disappointing UK money supply figures on Tuesday, when the monthly rise in bank bills in band 3 at 9½ per cent; £27m bank bills in band 3 at 9½ per cent; £27m bank bills in band 3 at 9½ per cent; £27m bank bills in band 2 at 9½ per cent; £27m bank bills in band 3 at 9½ per cent; £27m bank bills in band 2 at 9½ per cent; £27m bank bills in band 2 at 9½ per cent; £27m local control of the control of t **NEW YORK RATES**

sterling M2 was 1; per cent, keeping broadly based money supply well above the Treasury's supply well above the Treasury's target range. Only a general cut in world rates is now expected to move London rates lower, and yesterday Mr Setoshi Sumita, Governor of the Bank of Japan, denied there were plans to cut the Japanese discount rate. He said monetary policy had eased enough, and rates are already at record lows.

The Bank of England forecast

MONEY RATES 4.40.4.50.4.55.4.70.4.58.4.704.58.4.05.4.55.4.70

7.6 714.714 714.714 716.714 716.714

7.118 414.464 414.464 514 518.6

4.3487.5 4.55685.5 518.4

12.54.12.34 12.12.84 12.12.84

8.00 714.714 12.12.4

8.00 714.714 916.934 916.934 916.54 Frankfurt ...

UK clearing bank base lending rate, 10 per cent since May 22 balances below target £100m ing of repurchase agreements absorbing 2832m; a rise in the note circulation 235m; and bank liquidity. FT LONDON INTERBANK FIXING (11.00 a.m. July 10) Offer 6 34 The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for Silm quoted by the market to five Morgan Guaranty Trust. LONDON MONEY RATES

Over 7 days Three Sbx night notice Month Months Months

Treasury Bills (sell): one-month \$2 per cent; three months \$3 per cent. Bank Bills (sell): one-month \$2 per cent; three months \$3 per cent. Treasury Bills: Average tender rate at discount 8,300 per cent. ECGD Fixed Fixed Finance Scheme IV reference date June 4 to July 1 (inclusive) 3,324 per cent. Local Authority and Finance Houses seven days' notice, others seven days' fixed. Finance Houses Base Rate 10 per cent from July 1 1966. Bank Deposit fixed. Finance Houses Base Rate 10 per cent in July 1 1966. Bank Deposit fixed or sums at seven days' notice 4,35-4,375 per cent. Cartificates of Text Deposit (Saries 6): Deposit £100.000 and over held under one month 10 per cent; one-three months 10 per cent; three-six months 9% per cent; six-nine seconds 9% per cent. Under £100.000 9% per cent from June 25. Deposits held under Series 5 9% per cent. Deposits withdrawn for cash 57 per cent.

32 BRITISH FUNDS	AMERICANS—Cont.		Financial Times Friday July 11 1986 - ENGINEERING—Continued INDUSTRIALS—Continued YM
Time Sheet Frice A or Yield	124 749 Chief of the Care 114 400 2 2 4 2 2 2 2 2 2 2	BUILDING, TIMBER, ROADS—Cont. 1986 High Lore Stock Price W Cry Price High Lore Stock Price Cont. 1986 1986 SO (calerona 60/W 10) 67 331 18 16 9 11 0 124 93 Storing (roap 200 122 44 1 16 9 1.7 119 18 Secretary Actions 100 1 10 1 10 1 10 1 10 1 10 1 10 1 1	21 8 Bannar Win 10g 21 141s B 405 175 Bandar Vin 10g 44 108 67 29 44 108 122 75 Bandar Vin 10g 111 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
104-2 99-3 108-2 96-197 98-41 19-4 19	154, 7850 Clarker Off 140 1790 14	107 60 Carder Graup 107 73 1.77 6 24 6 42 26 Suprest 20 38 77 7.5 1.5 1.1 30 42.3 5.5 412 Suprest 20 5.5 1.5	- 305 195 Bullough Zib 285 8.2 2.6 4.1 13.5 500 133 Bayon Heat Service: 490 410 0 0 1 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
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12.5 99.5 Treas 11 hpc 1991 109.5 2.5 99.6 50.5 Farders 5 hpc 197-9121 92.1 16 6.3 7.7 864 841 Treas 36x 19912 92.1 16 6.3 7.7 864 841 Treas 36x 19912 124 12 10.28 92.8 1105 96.5 110x 1992 1107 -12 10.28 92.8 1107 96.5 110x 1992 1104 11.4 9.3 1107 97.5 1108 1		250 134	1.1 222 157 Editro (Hidgs) 202 7.5 2.0 52 13.2 510 215 8estated (150 500 1-15 6.0 2.9 1.7 1.38 6.0
97 78 Juneleys for 19934; 9974—6.61 7.57 128a 1994 77781 114ac 19935; 1224—7; 1124 9.65 1374 110 Juneleys 1994; 12772—7; 1136 9.37 1274 100 Juneleys 1994 12772—7; 1136 9.37 1274 100 Juneleys 1994 1261—7; 1179 9.53 104 88 Juneleys 1994 1361—7; 1079 9.53 109 100 Juneleys 1995 1364—7; 1050 9.50 79 68 Juneleys 1995 1364—7; 1050 9.50 1100 9.2 Erch 1995; 1364—7; 1059 9.94 1284 1054 1788 1286 1995; 1394—1; 9.06 9.48 1284 1334 133 1788 186796 1286488—7; 1105	28 17-kLove* 500	126 127 128	12
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1884 89 Comertion Figs. 2005 1823 5 9.28 9.25 1874 5 9.5 9.25 9.25 1174 97.2 Esch. 10.9c 2005 111 5 9.46 9.25 1234 11 17 125 2003 126 5 1 1 9.46 9.25 1273 1274 1275	13th 11th 12th 12th 12th 12th 12th 12th 13th 11th 13th 11th 13th	302 195 Warroplant 302 195 142 108 146 101 4Caling Electro 50 140 1.22 44 22 120 245 Warri Holgs, 100 283 7.22 24 35 151 445 375 Electromps 100 976 -2 625 31 23 18 18 18 18 18 18 18 1	1.6
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1224 1154 11	131 101 PRIO Algor 131 65 27 172 134 Royal Bi. Car. 154 \$2.00 6.3 391 14 \$2.00 6.3 391 14 \$2.00 6.3 391 14 \$2.00 6.3 391 14 \$2.00 6.3 133 101 \$2.00 6.8 13 \$2.00 6.8 13 \$2.00 6.8 \$2.00 126 \$7.00 \$2.00	159 105 157 107 108 157 107 108 158	224 157 Wagne industr' 228 44 47.25 19 46 12.7 13.7 23 24 24 25 25 27 2.7
Prospective real retemption rate on projected inflation of 11) 10% and (21.5%. 10) Figures in parentheses show RPI base mounts for index sog. ie B months prior to issue. RPI for October 1985; 377.1 and for May 1986; 385.0. INT. BANK AND 0°SEAS GOVT STERLING ISSUES 1164 945 Abresto to 81.104 so 200 1105 and 12 10.10 9.88 111 971 Action for 82.104 so 200 1110 and 12 10.29 10.31 1134 and 12 10.29 10.31 1134 10.00 9.95 1134 10.00 9.95 10.29 10.00 9.95 10.29 10.00 9.95	1161 1141 Alegement Ft 1100 21613 +55 42774 6 4 4 6 523 195 Alege irish 223 195 77 84 43 Alege irish 223 195 78 3.5 67 7.7 84 43 Alege irish 223 195 233 195 234 237 3.2 10.8 1105 1107 1108 1107 1108 1107 1108 1107 1108 1108 1107 1108	20 40 40 40 40 40 40 40	100 100
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y 11 12

Financial limes Saturday July

14 -

Account Dealing Dates

Option
*First Declara- Last Account Dealings tions Dealings Day June 30 July 10 July 11 July 21 July 14 July 24 July 25 Aug 4
July 26 Aug 7 Aug 8 Aug 18

"Now-time" dealings may take
place from 9.30 am two business days

Confidence continued to rebuild in London vesterday and at the end of another good market session little trace remained of Tuesday's uncertain tone. Gains embraced most in-dustrial sectors and there were also many features in the finan-cial area. The FT indices reflected the changed mood with further sharp recoveries, the FT-SE 100 share closing 12.1 up at 1,626.7. In the past two days, the index has regained most all of Tuesday's record points fall

Investors were seemingly un-Overseas reports suggested that both Japan and the US were in no hurry to reduce their respec-tive discount rates. The UK intive discount rates. The UR institutions were buyers of a wide range of stocks and sellers of very few issues. An expansion was noted in private clients' business with many buyers willing to pay the premiums required for "new-time" purchases; the current trading Account ends today.

Encouraging corporate profits statements were another tonic for the market. Thorn EMI an-nounced impressive preliminary figures well above the highest forecast by market analysts and forecast by market analysis and raced ahead to 511p before closing a net 20 higher at 487p. British Telecom continued to recover from the weakness in-curved earlier in the week and settled 4 better at 208p.

settled 4 better at 206p.

The financial sector meanwhile was consumed by new developments in the Lloyds Bank/Standard Chartered bid situation. Lloyds topped their holding up to the permitted 4.9 percent allowed under US regulations, bidding 815p per SC share. Investors allied to the latter's cause refused to be intimidated and Sir Yue-Koog Pao purchased over 7m shares to raise his stake in SC to nearly 10 per cent. On Wednesday, Malaysian businessman Tan Sri Khoo disclosed a 5.4 per cent holding. Standard Chartered fluctuated sharply and finally settled 27 down on balance at 775o, after 764p, while Lloyds ended 15 higher at 419p.

disp.

Giltedged securities were unaffected initially by the possibility of a delay in the trend towards cheaper money. Longer maturities rose \(\frac{1}{2}\) or so but turned back around mid-morning on light selling. The afternoon brought more aggressive offerings which were accompanied by talk that the authorities were likely to resume funding fairly soon. Potential buyers retreated and prices dipped sharply to leave the longs showing losses extending to \(\frac{1}{2}\) on the day.

3430: the company court ruling in Onta ing the purchase walker's wines a operations; further is still outstanding.

The tone in the sector continued to it selective buying in evident for the leaded to 4499 and BPB lad proved a couple of 550p. Barratt Defound support at I while AMEC continue.

EQUITY GROUPS

& SUB-SECTIONS

Publishing & Printing (14) ... Packaging and Paper (14) ...

51 Oil & Gas (17)

59 500 SHARE INDEX(500). FINANCIAL CROUP (117)

Merchant Banks (12)...

Mining Finance (2) Overseas Traders (14) ...

FIXED INTEREST

9 Debenbres & Laws; 121.35 +0.45 120.80 -_

Electronics (38) ... Mechanical Engineering (61) ... Metals and Metal Forming (7).

Leading shares extend recovery from Tuesday's low points

clearers was boosted to a certain extent by several brokers circulars with Barclays rising 9 to 529p and Midland and NatWest firming 7 apiece to 548p and 519p respectively. Bank of Scot-land firmed 4 to 429p, as did Royal Bank of Scotland, to 334p. Merchant banks railied well. Morgan Grenfell moved up 14 to striking price of Stop. Serwa Shipley revived strongly and closed 33 higher on balance at \$43p, after 550p, while Mercary International rose 8 to 733p. Hambros improved 3 to 245p and Kleinwort Benson 5 to 765p. Elsewhere, Goode Durrant Murray will emitted by the Impala ray, still excited by the Impala Pacific stake, firmed 4 more to 120p, after 122p.

l20p, after 122p.

In the Insurance sector,
London United dipped to 388p
on news of a £23.4m rights issue,
but later rallied strongly to close
a net 15 higher at 418p. Derek
Bryant held a higher opening
level of 260p which followed
buying late on Wednesday.

Of the two newcomers to the Of the two newcomers to the USM-market property developer Shield Group made a sparkling debut and raced up from an opening level of 99p to end the day at 113p; the shares were originally placed at 72p. BBB Design Group, graphic designers and printers, closed at 88p, compared with a placing price of 67o.

Bellaven, the Dunbar-based brewer, attained a new peak for the year of 66p amid substantial speculative support before settling only 3 to the good on balance at 62p; the Virani Group has sold 15-58 per cent of Belhaven to Establissement Novedil, a Geneva-based concern at a running of 80p. Novedil, a Geneva-based concern, at a rumoured price of 80p per share. Virant still holds just over 9 per cent of the equity. Buckleys, once regarded as a possible takeover target for Virant, hardened a couple of pence to 105p following a newsletter recommendation. Leading issues went better with Guinness finally 10 up a 343p following completion of the buy-in and cancellation of its own shares. Alled-Lyons put on 2 to 343p: the company has won a 3430; the company has won a court ruling in Ontario regarding the purchase of Hiram Walker's wines and spirits

turned back around mid-morning on light selling. The afternoon brought more aggressive offerings which were accompanied by talk that the authorities were likely to resume funding fairly soon. Potential buyers retreated and prices dipped sharply to leave the longs showing losses extending to a on the day.

Clearing banks up

Apart from the interest surrounding Lloyds and Standard Chartered, the banking sector stagged a broadbased recovery after several days in the doldrums. Demand for the major staged and rose 18 to 103p. drums. Demand for the major demand and rose 18 to 103p.

> FT-ACTUARIES SHARE INDICES These ludices are the joint compilation of the Financial Times. the Institute of Actuaries and the Faculty of Actuaries

> > Thursday July 10 1986

Earnings Yield*in (Map.)

Day's Change

Gress Div. Yield No. (ACT at 29%)

805.43 40.7 - 3.91 - 12.18 799.80 795.05 809.04 597.79,

| Index | Day's | Day's | Day's | July | July | July | July | Year | No. | Change | High | Low | 9 | 8 | 7 | 4 | 3 | 250 | 1626.7 | +12.1 | 1632.0 | 1621.4 | 1614.6 | 1599.0 | 1631.6 | 1699.4 | 1656.2 | 1236.4 |

AVERAGE GROSS REDEMPTION YIELDS

Thurs July 10

Weds July 9

11.57 11.46

7

	July July July July J				4	300	19	B6	Since Compilation		
	10	6	B B	7	4		High	Low	High	Low	
Coverancest. Secs	90.41	90.66	90,90	91.56	91.66	82.75	94.5 <u>1</u> (18/4)	80.39 (20/1)	127.A (9/2/55)	49,18 (3/1/75)	
Flord Interest	97.12	97.16	97.61	97.68	97.44	87.49	97.68 (77)	86.55 (23/1)	150.4 (28/11/47)	50.59 (3/1/75)	
Ordinary ¶	1340.6	1337.5	1317.7	1347.5	1356.5	934.4	1425.9	1094.3 (14/1)	1425.9	49.A (26/6/40)	
Gold Miles	203.6	2024	1973	196.6	1963	402.4	257.0 (21/1)	192.3	734.7 (15/2/83)	43.5	
Ord, Div. Yield	423	4.15	4.18		4.06	4.96	<u> </u>		TIVITY		
Earnings Yld %(fell)	9.90	9.95	10.03	9.80	9.74	12.36	- In	fices	July 9	Jely 8	
P/E Ratio (net) (*)	12.30	12.24	12.14	12.43	12.51	9.88	Citt Edged	Bargales	1285	135.6	
Total Bargains (Est)	25,527	26,555	32.750	24.958	25,216	20.638	Equity Barry	عام	1524 1,2354	194.2 1,142.3	
Easily Tornover £114	<u>-</u>	611.33	565.14	502.47	694.22	400.37	Equity Valo 5-Day Aver		מכלבו ו	1,1423	
Egylty Bargains	. _	23,552	29,969	29,547	25,646	18,617	Gilt Edged		135.9	139.5 184.6	
Sheres Traded (mi)		237.3	246.8	232.A	277.6	192.8	Equity Barq Equity Valo		12256	184.6 1,261.4	
♥ Opening	10 a.m. 1339.7		a.m. 10.0	Ngon 1341.1] [l p.m. 341.1	2 p.m 1341.		9 p.m. 343.7	4 p.m. 1344.0	
Day's High 1345.4. Day's Low 1335.0.											
Basis 100 Gord. Secs 15/10/26, Flood Int. 1928, Ordisary 1/7/35, Gold Mines 12/9/35, SE Activity 1974 *MI-11.87. LONDON REPORT AND LATEST SHARE HIDER: TEL. 01-246 80/26											

Raine Industries added 4 to 82p pending the outcome of merger talks and Manders rallied 11 to 280p. Magnet and Southerns sained 8 to 178p on takeover hopes; Bowater were mentioned as possible bidders.

as possible bidders.

ICI edged forward to 982p prior to closing 7 dearer at 979p; the interim results are expected on July 24. Elsewhere in the Chemical sector Coates Brothers "A" rose 20 to 150p reflecting the efforts of a single buyer, while Leigh Interests firmed 5 to 106p. Laporte improved to 393p, but subsequently drifted back to close 5 cheaper on balance at 385p.

Ratners wanted which

sained control of high street rival H. Samuel, advanced 7 to a 1986 peak of 172p reflecting demand shead of next Monday's preliminary figures. Other Stores also put on an encourag-ing performance following per-Stores also put on an encouraging performance following persistent new-time interest. Demand in a market short of stock lifted Ellis and Geldstein 5½ to 92p, while a belated response to a broker's bullish circular saw Ward White improve 8 to 336p. Buyers returned for Wigfalls, 175p, and Lineroft Kilgour, 212p, up 7 apiece, while Goldsmiths rallied a few pence to 210p. Martin Ford hardened the turn to 69p as the offer from Iridium Investments lapsed. Dixons freed 4 to 324p; the annual results are scheduled for next Wednesday. Woolworth, which recently staged a successful defence to a hid from Dixons, recovered 20 to 660p.

Toes Judy B

index No.

but subsequently drifted back to annual report and Kleen-E.Ze, a close 4 higher on balance at strong market of late, firmed 5 2050. Plessey, entivened by the chairman's statement at the annual meeting, closed 4 better at 222p, after 232p. Elsewhere, Holmes Protection, furmerly Scusa, advanced 9 to 130p, while further buying interest was shown in Amstrad, 6 to the good at 130p.

Leading Engineers rarely strayed from previous closing levels, but several second line issues were the subject of speculative demand. Wellman were particularly good at 45\(\frac{1}{2}\pi\), while Meggitt, 140p, and Howden, 29p, rose 7 apiece and B. Elliott put on 6 further to 104p. Birmid Qualcast reflecting the good interim results, rose to 152p before settling 3 furner on the day at 150p, but Crown House, down 7 at 213p, were a nervous market in front of today's preliminary figures.

Movements in the Foods sec-Leading

Movements in the Foods sector were generally on a modest scale. Revived demand lifted Unigate 8 to 300p, while support ahead of the preliminary figures scheduled for July 21 saw ASDA-MFI harden a shade to 148p. Profit taking in the absence of any bid news left Bejam 3 cheaper at 179p. Hazlewoods improved 13 to 828p in a thin

Among Hotels, Grand Metropolitan drifted back 5 to 393p, but Ladbroke were well supported and touched 368p before closing a net 3 harder at 365p.

Trusthouse Forte edged up a like

Pentland Inds good

Among the Electrical leaders, trials maintained the previous British Telecom, helped by the day's firmer trend, but gains lifting of the threat of tighter controls by Offel on tariff increases and by overnight US industries featured a rise of 'a buying, opened higher at 212p, at £10‡ following the good second quarter figures from Reebok of the US. Midland Mart advanced the US. Midland Mart advanced 37 to match the cash offer of 180p per share from Oyston Estate Agency. Among the current speculative issues, Norman Hay moved up 34 to 190p and Bestobell put on 15 to 500p, while rises of around 10 were recorded in T. Marshall Loxley. 141n. Bridge. 167n and Na.Swift

preliminary figures. TSL Thermal Syndicate, a depressed counter since the announcement of poor interim figures, staged a smart rally and closed 25 higher at 125p. Thermax, reflecting news of Suter's 6.6 per renecting news of suter's 0.5 per cent stake in the company, gained 10 to 122p. Parkfield con-tinued to make headway at 540p, up 15, while Williams Holdings, reflecting revived investment demand, rallied a like amount to worthy for a rise of 12 at 277p. A "sell" recommendation from

Chase Manhattan Securities failed to dampen enthusiasm for again which touched sosp be-fore settling a net 5 to the good at 560p. ERF responded to re-vived "call" option activity with a gain of 11 to 105p. Motor Distributors also made progress, where altered. Alexanders where altered. Alexanders hardened 1½ to 19½p following the interim profits recovery. Buyers also returned for Hartwells, 4 up at 99p, and Gianfield Lawrence, 3 dearer at 95p.

Saatchi and Saatchi, sold of late in reaction to a bearish Press article, met "cheap" buying and rallied 18 to 718p. Revived rained 18 to 718p. Revived support was also evident for Wight Cellins Rutherford Scott which closed 22 higher at 470p; the new nil-paid units rose to 230p having earlier attained a new high of 260p.

Light support was forthcoming for leading Properties,
Land Securities hardening a
couple of pence to 342p and
MEPC improving 5 to 355p.
British Land firmed 3 to 176p.
Secondary issues displayed
several poteworthy gains several noteworthy gains. Property Holding and Invest-ment were a firm market reflecting "new time" demand and strush relection were again to closed 8 higher at 145p, while the fore with 2,410 calls and 522 York Mount rose 5 afresh to 110p on persistent country anticipated. The better-than-auticipated preliminary figures buying. Five Oaks attracted anticipated preliminary figures stimulated a lively business in Thorn EMI with 1,387 calls and Stewart Nairn gained a penny to 563 puts done. Hanson Trust, 18 page 19 prior apprennial options favourite, to closing a net 4 up at 88p following the EGM at which the recentity appropried acquisition of tracts struck amounted to 16,793. 141p. Bridon, 167p. and Nu-Swift recently announced acquisition of 153p. Slebe revived with a gain Toplis and Harding was of 37 to 952p following the approved along with the £14.2m

NEW HIGHS AND LOWS FOR 1986

Cnv. Ln. 199-04. Mucklow (A. & J.), Prop. Hidg. & Inv., Ucd. Real Prop., Warmer Estate, York Mount. SHIPPING. (1) Ocean Transport. TEXTILES (A) Atkins Bros., Burmetax. Jerome, Susnar (F.). THUSTS (13) Derby Trust Inc., English & Intl., Equity Consort, Gen. Funds. Do. Cnv., Lowland Inv., M & G Dual Inc., Do. 2nd Dual Inc., SPLIT Inc., Do Cap., Barrie Inv. & Fin., Ferguson (J.), M & G Group. OHS (2) Conroy Petroleum, Petrofina SA. MINES (1) Normandy Res. NEW HIGHS (74)

CANADIANS (1) Great Pacific Res.
BARCS (3) Algemene, Banco de Bilbao SA, Chancery Secs. BREWESS (2)
Belhaven Brawery, Guinness Pape Crv
(n. BUILDINGS (5) Berkeley. Laing
(J.), Westbury, Wiggins Group, Wilson
(Connolly). CHEMICALS (3) Blagden
Inds. Coates Bros., Do. A N.V.
STORES (7) Browns (C.) Cer, Ellis
Goldstein, Jacquez Vert, Lincroft
Kilgour, Ramar Textiles, Ratners.
Samuel (H.) A, ENGINEENING (5)
Boulton (Wm). Elliott (8.), Meggitz.
Richards (Leicaster), Wellmen. FOODS
(1) Safeway. HOTELS (1) Midsummer
Inns. INDUSTRIALS (11) Cont.
Stutionery, Hay (Norman), Keep Trust.
Klean-E-Ze, Midland Marts, Nu-Swift,
Sheldon Jones, Southern Business.
Swedish March B, "The Times"
Veener, Thermax. INSURANCE (1)
Utd. Finendly 8. PAPER (1) Sterling
Publ. PROPERTY (12), Abaco Inva.,
Apex Props., Estate Prop. Inv., Five
Oak Invs., Hanover Inv., Lond. &
Edieburgh, Lon. Shop. Prop. 8.25pc NEW HIGHS (74) NEW LOWS (18) NEW LOWS (18)
BRITISH FUNDS (2) Treas. 3pc
1991. Conv. 10 pc 1995. AMERICANS
(2) Bathlehem Steel, Utd., Technologies. STORES (1) Moss Bross.
ELECTRICALS (3) Black & Decker,
CASE, Rodime. IMDUSTRIALS (2)
Wathesons 7-pc, Tellox. TRUSTS (2)
Viking Res.. Nat. Homs Loans. Old.
(4) Berkeley Expln., Hamilton Oil,
Oliver Res. Triton Europe. OVERSEAS
TRADERS (1) GN Great Nordic. MINES
(1) Zambia Copper.

Equatorial Tut Corp. plc. Exeter Trust Lid. Financial & Gen. Sec. First Nat. Fin. Corp. First Nat. Sec. Ltd. Robert Fieuing & Co. Bobert Freser & Ptrs. Grindlays Bank. Guinness Mahon. Hambros Bank Heritable & Gen. Trust American Express Bk. American sank American sank Henry Ansbacher Associates Cap Corp

BASE LENDING RATES

Banco de Bilbao . lenk Hancelim Bank Leumi (UK) 19 Bank Credit & Comm 19 Heritable & Gen. Trust

Hill Samuel
C. Hoarne & Co.
Hongkoog & Shanchai
Knowsley & Co. Ltd
Lioyds Bank
Mase Westpae Ltd
Meghraj & Sons Ltd
Midland Bank

Miscon Grenfell
Mount Credit Corp. Ltd
National Ek of Knowait
National Girobank
National Westminster
Northern Bank Ltd
Norwich Gen. Trust

PE Finans. Intl (UK) Bank of Cyprus.... Bank of Ireland.... Bank of India Bank of Scotland .. Brit. Bk. of Mid. East. Brown Shipley...... CL Bank Nederland..... Cedar Holdings Charterhouse Bank Citibank NA PK Finans, Intl (UK) Provincial Trust List

R. Raphael & Sons

Roxburghe Guarantee Clydesdale Bank Comm. Bk. N. East... Continental Trust Ltd...... 19 Co-operative Bank *19

Yorkshire Bank • Members of the Accepting Houses Committee. *7-day deposits 5.69%. 1-month 6.03%. Top Tier—625,000+ at 3 months action 9.72%. At call when £10,000+ remains deposited. ‡ Call deposits £1,000 and over 64% gross. ¶ Mortgage lasse rate. § Demand deposit, 5.82%. Mortgage 11%.

The Cyprus Popular Bk 19

rights issue to partly finance the deal. Egerton Trust were finally 4 up at 114p, after 105p, follow-ing the interim results and news of a proposed rights issue and a placing of convertible prefer-ence shares.

Textiles made progress across a broad front. A fluty of takeover chatter lifted S. Jerome 19 to 88p. Burmatex improved 12 to 180p for a similar reason, while the encursing tener of the the encouraging tenor of the chairman's statement at the annual meeting helped Altidus annual meeting neiped altrins
Bros. rise 5 more to 292p. John
Crowther added 6 at 163p, while
its current takeover targets
Sunbeam Woisey and A. J.
Gelfer both put on 5 to 125p and

A marked revival of US demand lifted Bats 13 to 408p. Oils edge higher

The Oil majors put on another rreditable performance and managed to record minor gains managed to record minor gains despite continuing concern about the trend in North Sea oil prices, currently testing 12-year lows. BP edged up 5 more to 585p, and Britoti. a weak market of late, rallied a similar amount to 150p. Shell were a fraction harder at 775p, as were LASHO, 95p. Tricentrol held around 45p following the sale of its North American interests, the proceeds of which will be

s few pence easier but excep-tions included Charterhall, 2 firmer at 30p, and Ireland's Compay Petroleam and Natural Resources, which jumped 15 to 150p amid talk of an imminent annumcement of an imminent announcement regarding the company's base-metals prospect in the Republic of Ireland.

Golds tended to shade on general lack of interest and the absence of any substantial support from Johannesburg following a decline in the Financial Rand to around 22 cents. However, Golds in sterling terms were slightly firmer reflecting the weak showing by the pound. The Gold Mines index rose 1.2 The Gold Mines index rose 1.2 to 203.8, its fourth consecutive improvement.

south African Financials and Platinums mirrored Golds. De Beers continued to improve, closing a further 5 harder at 435p still reflecting the recent excellent half-rear diamond sales and the return sales and the return to normal working at the company's mines. "Amgod" put on 1 to £351. In Platinums Restenberg revived

Sydney and Melbourne markets followed through into London followed through into London and Australians recorded widespread gains. Golds were particularly wanted and Gold Mines of Kaisoorile featured with a
rise of 16 to 363p. Central
Norseman added 15 more at
325p — a two-day gain of 30 —
while improvements of between
4 and 7 were common to ACM,
95p, Metana, 37p. and Sone of
Gwalla, 192p.

Traded Options

Slightly improved conditions prevailed in Traded Options. British Telecom were again to

EUROF	EAN	OPT	TION	SE	CH	ANG	E
			N	icu.		eb.	
Series	Vol.	128	Vol.	Last	YoL	Ĺĸĸ	Street
SOLD C \$340 SOLD P \$330 SOLD P \$330 SOLD P \$360	25	13 1 12	10 150 521 6	19 2.50 3.50 8.50	11111		\$347.16
		l		Nec .	_	3	
SILV P \$200 \$71. C PL360 \$71. C PL360 \$71. P PL370 \$71. P PL370 \$71. C PL250 \$71. P PL250 \$71	135 	16 1219 -559 -558 13598 -559 -559 -559 -559 -659 -659 -659 -659	1 5	4A 4A 5 3.60A 7.80 7.80 12.50	111111111111111111111111111111111111111	inimmmun	F. 34.73
		July	_	Det.		Jac.	
ARM C RASE P PLSE ASSET P PLSE	516 202 202 202 202 202 202 202 202 202 20	10.50 0.100 0.400 0.400 0.100 0.000	226 264 64 64 664 1064 1224 1065 1224 1226 1226 1236 1236 1236 1236 1236 1236	29.90 180 530 10 840 7.20 2.20 2.20 2.20 2.20 2.20 2.20 2.2	2275-29-57331355-7151241-1-20758842-8:	40 47.59 124.55 15.50 11.50 11.50 12.50 10	F160.30 F137.30 F137.30 F137.30 F137.30 F137.60 F137.60 F137.60 F137.60 F137.60 F137.60 F137.60 F137.60 F137.60

TRADITIONAL OPTIONS

Deal- Declara- Settleings ings tion ment
July 7 July 18 Oct 9 Oct 29
July 21 Aug 1 Oct 23 Nov 3
Aug 4 Aug 15 Nov 6 Nov 17

Nolton, "The Times" Research. Frederick and Marray, Whessoe and Micro Business Systems. Puts were done in Abaco Investments, Polly Peck, Hanson Trust and Polly Peck, Hanson Trust and Horace Clarkson, while double Stocks favoured for the call Horace Clarkson, while double included Amstrad, Britoil, ERF. options were taken out in inter-thomas Locker A, Bristol Oil vision Video and Abaco Invest-

YESTERDAY'S ACTIVE STOCKS

UNALD SENIOR	GENERAL MOS	lichted für Am	foliowing smort	Leamilia	Ar.
• .	Closing D	57'S		Closing	Day's
Stock ·		anga Stoc	*	Drice_	cheno
BAT Industries	408 +	13 Londo	n United Invs	419	+ 15
Berclays			g Grenfell	480	+14
Belhaven Brewery			Industries	62	+ 4
Birmid Qualcast			rd Chamered	775	-27
Jaguar			EMI	487	+20
Lloyds Bank			ла Gловр	103 .	+18

Stock should Chrt, soode Durrant guar sun (N.) Lais. bust & Britt.	16 15	802 116 116	- 7 + 4 + 11	Stock Ladbroke British Morg. Glasp Catrie T Themes	Aero Grenfell Wire.	14 13 13 13 12 11	362 495 468 £10 690	+11 +16 + 5 - 5

RISES AND FALLS YESTERDAY

British Funds Corporations, Dominion and Foreign Bonds Industrials Financial and Properties Oils Plantations Hitnes	Rives 4 11 407 180 23 1	Falls. 94 17 228 60 14 3	50m 4 34 34 1
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8.P. (*565)	500 550 600	70 25 2	80 47 19	95 60 32	40	29 46	10 25 52	Ra (*)	90)	180 200	19	30 16	38 34	16	19	11 22
Coss. Gold (*447)	420 460 500	40 7 2	60 34 12	70 45 28	3 25 57	16 37 65	77 72	R.T	2	550 650 700	57 28 10 6	50	97 70 44 31	20	11 34 44 105	16 44 72 120
Courtenids (*293)	260 280 300 330	37 19 4	45 32 19	53 29 17	1 3 10 37	3 6 17 39	6 11 21: 42	Vani (*\$	530	50 60 70	7 2 0°2	94 ₂ 6 33 ₂	11) ₂	74 94 18	44, 11 194 ₂	594 12
Cum. Union (*3327)	290 900 390	39 19 2	45 32 18	41 28	1 3 16	3 9 23	13	Tr. 1114	090	108 110 112	14, 04, 04,	2 <u>à</u> 15 04	23. 13. 14.	04 14 2質	14,34	1323
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(*995)	390 390 420	18	46 		3	15 37	25	(*26		260 260 280	7	17 19	23	22	2	18 29
I.C.L (*979)	950 900 950	157 87 42	147 100	167 127	3 7	6	10	(*3)	30	307 330 333	22	\$ 8	29 -	25	14 30	-
Land Sec.	1000	15	64 40	92 64 63	35	27 27 22	5 5	. (*77		750 800 850	57 37 13	388	888	15 40 80	28 50 80	X
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Maris & Spen. (*204)	180 200 220	25 7	33 13	41 28 17	17 ₂ . 4 19	3 9 21	13 23	De B (*\$6.	62)	400 650	姜	120	39	25	77 92 97 83	45 70
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12 Inflat nate 5% 5 yrs...
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#Opening Index 1621.4; 10 am 1625.1; 11 am 1626.1; Noan 1626.2; 1 pm 1626.3; 2 pm 1627.3; 3 pm 1631.0; 3.30 pm 1631.9; 4 pm 1629.6

5.82

... 87.50 -0.34 87.63 - 3.58 12 Prof

WORLD STO	CK MARKETS
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ABOO 107.5 -0.5	Description
NOTES—Prices on this page are as quoted on the individual exchanges and are last traded prices. \$ Dealings suspended Considered Pet Consolidated Pet Consolidat	Ind div yield 16 2.88
OVER-THE-COUNTER Nasdaq national market, closing prices Stock Sales High Low Last Clang (Hinds) Continued from Page 37 SCI Sy 2882 18½ 1572 18½ 1½ 15% 18½ 1½ 1½ 15½ 5½ 1½ 1½ 1½ 1½ 1½ 1½ 1½ 1½ 1½ 1½ 1½ 1½ 1½	NYSE ALL COMMON RESES AND FALLS NYSE ALL COMMON NYSE ALL COM
ProCel 12 45 30 2014 2014 1 5clMec 15 50 50 50 50 50 50 50 50 50 50 50 50 50	10 10 10 10 10 10 10 10
Property 100 31 52 52 53 54 54 54 54 54 54 54	SPORADIC BUYING alternated with some profit-taking in quiet Singapore activity, and the Straits Times industrial index closed 0.63 lower at 721.98. In the absence of fresh factors most investors were left without any clear direction and stayed on the sidelines. Brokers reported that concern over the political situation in Malaysia was continuing to dominate market talk but had little effect on the session. Promet led the actives and closed 1 cent lower at \$35.5 while Sime Darby INVESTORS turned bullish in Sydney where prices closed higher in thin trading as the market underwent a technical correction after two weeks of heavy selling. The All Ordinaries index closed 11.8 higher at 1,134.1. BHP rose 10 cents to A\$8.22, mainly on speculation that it might launch a takeover for Elders 1XL, which held steady at A\$4.8. Among diversified resource stocks Bell Resources put on 10 cents to A\$3.9 and North Broken Hill three cents to A\$1.83. Industrial issues were back in demarket talk but had little effect on the session.

Chief price changes LONDON (in pence unless otherwise indicated)

Coates Bros. A 150 150 105 363 190 88 RISES Conroy Pet. E.R.F. +15 + 4 +13 +15 Abaco invs. BAT inds. +11+18 408 500 167 543 GM Kalgoor. Hay (Norman) Bestobell +34 +10Bridon Jerome (S.) +19 Brown Ship. +33

HAND DELIVERY

SERVICE

COPENHAGEN/GOTHENBURG/MALMO/OSLO/ STAVANGAR/STOCKHOLM

Lloyds Bank
Lon. Utd. Invs.
Magnet & South
Marsh. (T.) (Lox.)
Midl. Maris

Morgan Grent. Pentl. Inds.

Prop. Hldg. Ratners

TSI, Thermal

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For details contact. Mikael Heiniö. Tel: 01 134441.

418_

178 141

125

+15

180 +37 480 +14 £10% + % 145 + 8 172 + 7

+25

SOUTH AFRICA

+10

+ 8 +18

+22

FALLS

Conv. 9%% 2006 £104% — % Treas. 2%% IL20 £96 — % Stand. Chart. 775 — 27

Thermax

Unigate
Wiggins G.
Wight Colls. RS
Woolworth

GOLD PRICES drifted lower on a broad front in Johannesburg as the bullion price failed to recover the \$350 an ounce level.

A bomb blast in front of the stock ex-change had no impact on prices because the market had already closed.

The blue-chip producers mostly showed small losses. Driefontein dropped 40 cents to R52.85 while Free State Consolidated Gold Mines was steady at R32.00.

Heavyweight losses averaged 50 cents, as in Ofsil at R78.50, while cheaper issues lost up to 25 cents, as in Kloof at R23.00.

Platinums mirrored golds, with Impa-la sliding 25 cents at R38.50. In diamonds De Beers put on 30 cents to R29.50.

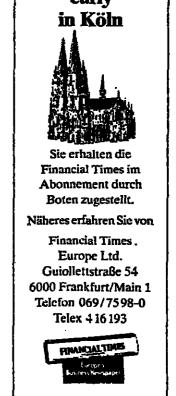
CANADA

AN EARLY ADVANCE in step with Wall Street saw Toronto later turn mixed in active trading.

Blue chips dominated actives as Canadian Pacific dropped C\$% to C\$16.00 followed by Crown A unchanged at C\$13% Noranda put on C\$% to C\$17% among mine actives, after reporting on Wednesday a second-quarter net profit against a year-ago loss.

Oils were generally stable as oil prices moved lower. Imperial A was unchanged at C\$36.00 while Dome Petroleum fell 3 cents to C\$1.09.

Montreal was also mixed.



 \$4 \$1.55.55 \$2.55 \$2.55 \$3.55

NEW YORK STOCK EXCHANGE COMPOSI Fugure 9

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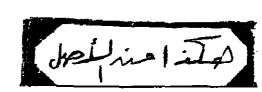
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Financial Times Friday July 11 1986

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AMEX COMPOSITE PRICES Prices at 3pm, July 10 Cargo Process Common Co tnRgfil tnsiSy tntCtyg intmis intBiant tntPwr trogBrd 14 6 17 6 13 6 9 16 40 3 9 134 4134 6 57 819 1114 1214 2014 4 1314 218 24 1314 218 24 151₆ 151₇ 15-16 -15'4 -11'4 -13'8 9-16 40'4 -4 -13-16 17'2 -15-16 1514 1314 9-16 401-4 13-16 UnE1 pt3 50
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FINANCIALTIMES

Because we live in financial times.

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Continued on Page 35

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FINANCIAL TIMES WORLD STOCK MARKETS

WALL STREET

Early rally overcome by nerves

A SUSPICION that the sharp technical correction suffered earlier this week had not yet run its course reversed an early rally on Wall Street yesterday, writes Paul Hannon in New York.

The prospects of a discount-rate cut, real or imagined, galvanised sentiment only briefly in the bond market where key issues traded up to ¼ point lower.

The stock market concentrated on the trickle of corporate trading statements and further takeover developments but still countenanced the real possibility that the Federal Reserve would act, if necessary independently of Japan or

West Germany, on rates.
At 3pm the Dow Jones industrial average was down 3.94 at 1,822.13.

Among blue chips IBM dropped \$3 to \$1414, General Electric fell \$% to \$75% despite higher results, Merck lost \$11/2 to \$98% and Minnesota Mining retreated \$2½ to \$106%.

Lockheed featured early with a \$3 drop to \$52% in swift response to the aerospace's group disclosure after Wednesday's close that it had agreed to take

Paris

CAC General Dec 31, 1982 - 100

Frankfurt

Commerzbank Dec 1, 1953 • 100

STOCK MARKET DIDICES

751.75°

241.73*

1.626.7

805.63

9.35

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240.02 238.09

NEW YORK

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AUSTRIA

CANADA

Portfolio

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FAZ-Aktien

HONG KONG

Hang Seng

Валса Сотт

NETHERLANDS

ANP-CBS Gen

ANP-CBS Ind

Oslo SE

JSE Golds

SPAIN

JSE Industrials

Madrid SE

SWITZERLAND

MS Capital Int'l

Silver (spot fixing)

Coffee (September)

Copper (cash)

Oil (Brent blend)

SWEDEN

J&P

WORLD

(London)

London

Zünch

Paris (fixing)

New York (Aug)

SINGAPORE

Straits Times

SOUTH AFRICA

ITALY

WEST GERMANY

Commerzbank

FT-SE 100

FT-A All-share

FT Gold mines

FT-A Long gilt

DJ Industrials

DJ Transport

S&P Composite

July 10 Previous Year ago 1,822.13" 1,826,07 1,332.98

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1,178.30 1,747.61 1,573.41

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2,479.91 2,462.58 1,299.23

Prev

324.7

July 10

£1,576.00 £1,630.00

July 10 Prev \$347.25 \$347.75

332.30p

\$9.70

\$346.90

\$348 21

\$348.25

\$348.60

£884 50

543.30 545.3

July 9

323.7

COMMODITIES

GOLD (per ounce)

703.68 344.79

799.80

202.4 401.4

9.32

167.42

192.37

1.230.4

597.79

10.44

523.7

97.77

134.53

209.30

216.2

471.57

181 3

458.3

Year ago

219.7

Prev

334.30p

\$9.60

S348.25

\$348.99

\$351.00

\$349.70

€873 75

79.7

SERVINATION TO RESERVE

over the besieged Sanders Associates defence group, which jumped \$4% to \$61 in heavy trading. Loral, an unsuccessful suitor of Sanders, firmed \$2% to \$46%. Raytheon shed \$% to \$60% despite higher second-quarter results.

Consumer-related stocks continued to attract heavy trading with the stores sector much in evidence. Sears Roebuck fell \$1/2 to \$431/2 in further response to its intention to make a 10m share secon-

dary offering.
Safeway, the most active stock on Wednesday, lost \$\% to \$58 in large volume following results and the \$58 a share bid - worth \$3.54bn - from Dart

K mart, the discount store group, lost an early \$% at \$52% despite announcing an 8.7 per cent sales gain for June.
Coca-Cola retreated an early \$% to
\$40% after revealing that its chief mar-

keting strategist - the man behind the

successful "Coke is it" campaign - was leaving to join a private investor group. Sherwin-Williams, the largest US paint maker, jumped \$2% to \$274 on plans to sell its Gray Drug Fair business. Bernard Chaus, the newly listed women's clothing group, advanced a further \$1% to \$24% in continued heavy

American Brands, which jumped \$8 on Wednesday on rekindled takeover speculation, added another \$14 to

Sun Chemical, also strong in the previous session after recapitalisation plans, retreated \$1% to \$74%.

At \$1134, Squibb gave up \$14 of Wednesday's \$6% gain attributed to the drug

CURRENCIES

- - 1.5165 1.5260 2.1745 2.1830 3.2975 3.3325 160.35 160.85 243.25 245.50

44.85

US BONDS

6.9975 10.5825 10.6775

1.7855 2.6950 2.7250 2.4590 3.7150 3.7526

1,499 2,262.50 2,282.75

67.85

6.40° 5.845°

1001%2 6.723 1001%2 6.724

7.272 993%

101 7 167 101% 7 162

7.32

6.82

7.33

7.91

Prev

Price Yield

92% 6.07

106% 9.59

-0.02

-0.02

-0.01

-0.03

1001% 7.328 1001% 7.323

July 10° Day's

change

+0.19

+0.10

+0.09

+0.56

Yield

6.08

98.327 8.25 98.327 8.25

104% 9.42 104% 9.42

8.84

Latest High Low

99-14 100-14 99-05 99-28

94.38 94.44 94.36 94.40

93.53 93.56 93.47 93.50

122-02 123-19 121-31 123-03

n/a 93.90

n/a

July 10

Price

92%

106%

92%

9% March 2016 97.78 9.60 97.78 9.60

FINANCIAL FUTURES

STERLING

10% 4% 4%

613/16 613/18

July 10 Previous

US DOLLAR

6.9725

1,492

1.3775

(3-month offered rate)

6-month US\$ US Fed Funds

US3-month CDs US3-month T-bills

(offered rate)

Treasury

7% 2016

1-30

1-10

15-30

AT & T

3% July 1990

10% Jan 1993

Phibro-Sal

TRW

Arco

8 April 1996

9% March 2016

Source, Salomon Brothers

US Treasury Bonds (CBT)

esery Bills (Dilil)

Certificates of Deposit (IMM)

81/4 April 2016

CHICAGO

Sept

Sept

Sept

LONDON

8% 32nds of 100%

\$1m points of 100%

\$1m points of 100%

\$1m points of 100%

20-year Notional Gitt

£50,000 32nds of 100%

" Latest available figures

Three-month Eurodolla

1988

1993

1996

Source: Harris Trust Savings Bank

index

153.71

145.80

137.02

147.74

182.18

Source: Merrill Lynch

makers' decision to spin off its medical electronics unit. Abbott Laboratories, active in recent sessions, slipped \$1 to \$50 on improved second-quarter figures.

Du Pont traded \$% higher to \$78% after a tederal agency ruled that it had violated age-discrimination laws last year with an early retirement plan for 12,000

Among airlines Pan Am held steady at \$6% after three sessions of heavy trading. Texas A'r slipped \$1/4 to \$311/4 in response to transportation department conditions on its proposed takeover of Eastern, which was unchanged at \$9%.

In the bond market, prices gave up most of the early gains despite the continued hopes of a cut in the discount

The key long bond, the 74 due in 2016, opened with a 1/22 rise but later traded 1/22 down at 1011/2 to yield 7.15 per cent.

Three-month Treasury bill rates gained one basis point to 5.86 per cent while six-month rates firmed 3 basis points to 5.91 per cent.

High volume fails to halt downturn

DESPITE UNUSUALLY active trading in low-priced, large-capital issues, prices slipped further in Tokyo yesterday as if the market as a whole had entered a "corrective phase," writes Shigeo Nishi-

waki of Jiji press.

Trading in low-priced, big-capital stocks was largely confined to Nippon Steel, Nippon Kokan, Ishikawajima-Harima Heavy Industries, and some issues in the chemical and electric power

The 10 most active stocks accounted for more than half the trading volume. Leading construction and real estate issues also attracted buyers, but blue chips and biotechnology-related issues were neglected. The Nikkei stock average lost 36.29 to

17,469.82. Volume rose sharply from Wednesday's 1.28bn to 1.68bn shares, the second-largest following the all-time high of 1.93bn shares reached on March 27. Losers outpaced gainers by 516 to 367, with 109 issues unchanged.

Cash-rich institutional investors and corporations continued dealing with stocks to earn capital gains, as did individuals who recently entered the mar-ket, in the face of sharply rising share prices.

The list of 10 most active stocks,

which was covered entirely by lowpriced, big-capital issues, accounted for a sizable 63.2 per cent of total market

Nippon Steel topped the list with 212.72m shares, gaining Y5 to Y192. Ni pon Kokan came second with 186.93m shares and added Y11 to Y218, with Kawasaki Steel third at 185.99m shares, firming Y9 to Y198.

Ishikawajima-Harima Heavy Industries ranked fourth with 157.57m shares gaining Y19 to Y370. Among other active stocks Tokyo Gas climbed Y20 to Y543, Mitsui Toatsu Chemicals Y25 to Y425 and Kawasaki Kisen Y21 to Y242.

The rising prices of these low-priced, large-capital issues left domestic demand-oriented issues relatively cheap, prompting many investors to buy them in the absence of incentives.

Among leading domestic demand stocks spotlighted in the afternoon, Mitsubishi Estate, a major hidden-asset issue, gained Y110 to Y2,150 and Mitsui Real Estate Development Y120 to Y1,970.

In the group of public works-related stocks, Kajima added Y26 to Y907 and Ohbayashi Y16 to Y710. In the electrical construction sector Kandenko climbed Y200 to Y4,190 and Kinki Electrical Construction Y140 to Y3,170.

Elsewhere, Kyokuyo rose Y43 to Y579 on rumours of cornering, but Nippon Suisan, which had advanced in sympathy, lost Y20 to Y560.

Among the blue chips to ease, NEC shed Y10 to Y1,320 and Toyota Motor

The bond market opened firm and strengthened in the morning as bond prices performed well in New York on prospects of an imminent cut in the US Federal Reserve discount rate but levelled off in the afternoon.

The yield on the bellwether 6.2 per cent government bond due in July 1995 slipped to 4.685 per cent from Wednes-day's 4.710 per cent, but the pace of decline in bond yields was unexpectedly slow. The yield on the quasi-benchmark 5.1 per cent government bond due in June 1996 rose to 5.000 per cent from

Investment funds were diverted to non-barometer issues, pushing the yield on the 6.8 per cent government bond due in December 1994 down to 5,280 per cent from Wednesday's 5.351 per cent.

HONG KONG

steady at HK\$8.75.

Wednesday's 4.990.

HEAVY INSTITUTIONAL selling in Hong Kong sent share prices sharply lower, and the Hang Seng index lost 29.31 to 1,718.30.

Brokers said overseas fund managers were discouraged by the sluggish tone of the market and began unloading their holdings.

Cheung Kong fell 50 cents to HK\$ 20.10, China Light 20 cents to HK\$15.00 and HK Land 15 cents to HK\$5.65. HK China Gas dropped 20 cents to HK\$15.30 and Hutchison Whampoa 60 cents to HK\$28.10, but HK Electric held EUROPE

Foreigners seek out bargains

FOREIGN BUYERS were the most significant factor in the major European bourses yesterday, seeking out lowpriced issues across the board.

Frankfurt again climbed higher on active buying from Swiss and British insti-tutions. Car and banking stocks were the most popular.

Daimler advanced DM 37 to DM 1.305. ex-dividend, higher sales at its Audi unit helped VW climb DM 21.20 higher to DM 479.10 after hitting a low for the year on Monday, and BMW was steady at DM

Porsche, however, hurt by the dollar's effect on vital US sales, shed DM 8 taking it back to its year-low of DM 995. Banks were again stronger. Bayer Hypotheken firmed DM 6.50 to DM 564.50

and Commerzbank ended at DM 298 after a rise of DM 5.50. Dresdner, which has fallen all week, picked up DM 10.50 to DM 408.50 on foreign interest.

The Government's plan to sell its remaining stake in Veba, the energy, chemicals and trading group, has been favourably received by investors, the group's chairman said at a meeting yesterday. He also announced that first-half profits were at the same level for the first six months last year. Veba edged DM 1.50 higher to DM 263.50 on this news after hitting record lows earlier

In chemicals, both Hoechst and BASF rose from lows of the year. The former added DM 7.20 to DM 258.30 and the latter DM 6.80 to DM 254.30. BASF chairman, Mr Hans Albers, who is also president of the West German chemical industry federation VCI, told a press conference that industry sales were down 5 per cent for the first half of 1986 and said he expected the industry to stagnate at the higher levels of the past three years.

Despite increased interest in the share market, foreign investors shunned the bond market, and prices ended a quiet bourse mixed, with gains of around 15 basis points and losses of about 20 basis points.

The Government's new 5% per cent 10

year loan stock, priced at 99.75 from which it hopes to raise DM 4bn, found the going difficult and was quoted at an

initial bid price less 1% and offer less %.

The earlier 5% per cent 1996 loan stock was unchanged at 99.65 while the 6 per cent 2016 was also steady at 98.50. The Bundesbank sold DM 20.3m worth of domestic paper after buying a substantial DM 177.8m on Wednesday.

Paris was not discouraged by a rise of % of a percentage point in the call money rate to 71% per cent as foreign investors again injected enthusiasm into the

Générale de Fonderie continued its erratic performance, jumping 12 per cent to FFr 28, while Dumez reached a high for the year of FFr 1,495 after a rise of FFr 34 and Legrand hit a peak of FFr 4,200, up FFr 10.

With continuing trouble for oil prices, Elf Aquitaine faded by FFr 1 to FFr 285, and Carrefour also turned lower, dropping FFr 47 to FFr 3,203 ex-scrip on prof-

New car registrations rose 4.6 per cent in the first half of 1986. In that sector Peugeot shed FFr 17 to FFr 871 while in associated companies Michelin added FFr 50 to FFr 3,100 and Valéo gained FFr 3.50 to FFr 498.50.

Amsterdam benefited from news of the Dutch government accord and indications from the Nederlandsche Bank that there was room for easier Dutch in-

terest rates in the short term. British buyers sought publishers, pushing Elsevier up Fl 3.50 to Fl 216, and Buehrmann-Tetterode, which is in talks to buy a West German paper company. rose Fl 1.50 to Fl 216.50. The US-EEC steel products agreement helped Hoog-ovens, which added 20 cents to Fl 112.40 after reaching Fl 112.50 earlier in the

Bond prices were slightly above Wed-

nesday's levels where changed.
Milan was higher as trading centred on Montedison, which announced plans for a major capital increase and approval by its board to buy Fermenta, the Swedish biotechnology group. After slip-ping in early trade, Montedison ended L5 up at L3,505.

Olivetti, which plans to set up a new personal computer company, gained L110 to L16,600, and demand again centred on Fiat, which rose L260 to L13,530. Stockholm moved higher on a technical reaction to three lower sessions and

on hopes that interest rates would fall. Fermenta added SKr 2 to SKr 159, and Volvo put on SKr 4 to SKr 391. Zurich ended mixed, notably lacking the same degree of foreign interest else-

where in Europe.

Swissair bounced back after falling on Wednesday to end up SFr 100 at SFr 1,420, UBS was steady at SFr 5,730 and Zurich Re slipped SFr 50 to SFr 7,400. Bonds were little changed, but the bi-

as was firmer. Brussels was dull, with most prices remaining at their previous day's levels, and activity slowed ahead of a holiday in

Flanders today. chemical group Solvay added BFr 20
to BFr 7,610 after hitting a low of SFr
7,540 on Wednesday while Petrofina,
Belgium's largest industrial, lost some of
its previous day's gain to end BFr 60 lower at BFr 8,700.

Madrid eased after a series of higher

LONDON

Confidence rebuilding continues

LITTLE TRACE of Tuesday's uncertain tone remained in London yesterday as confidence continued to increase. The FT-SE 100 share index closed 12.1 up at 1,626.7 to regain most of its record points-fall of 32 on Tuesday. The FT or-dinary index closed 12.5 higher at

The postponement of lower interest rates worldwide left investors seemingly unperturbed. The UK institutions bought a wide range of stocks and sold few issues.

Encouraging corporate profits provided another tonic for the market. Thorn EMI announced impressive preliminary figures well above the highest forecasts and closed a net 20p higher at

British Telecom continued to recover from its weakness earlier in the week and settled up 4p at 208p. The financial sector was preoccupied

with developments over Lloyds Bank's bid for Standard Chartered which left Lloyds 15p higher at 419p and Standard down 27p at 775p.
Gilts were unaffected initially by the

possibility of a delay in the trend towards cheaper money, but prices dipped sharply later.

Chief price changes, Page 35; Details, 34; Share information service,

Continued on Page 35

"If our nascent and fragile democratic institutions are denied a strong economic underpinning they will certainly give way to tyranny."-G. W. H. Relly

Abridgement of the annual statement by Mr G. W. H. Relly, Chairman of Angle American Corporation of South Africa Limited.

Attributable earnings of the Corporation, excluding retained earnings of associates, increased by 35 per cent to R313 million, or 356 cents a share. In the year to March 31 1986 Equity-accounted earnings increased similarly to R1 194 million, or 523 cents a share. These results are primarily the outcome of substantial increases in earnings from our investments in gold, diamonds, coal, platinum and other minerals which, with their strong export bias, more than offset the effects of the recession on certain of our industrial interests. The total dividend of the Corporation amounted to 180 cents a share, an improvement of 33 per cent on the previous year.

Political developments

The continuing turmoil in our society has had - as many participants intended that it should have - a significant adverse effect upon South Africa's fortunes, and we are all the poorer for that. Yet the process of change has continued. The State President has kept to his commitment to press ahead with his reform programme, notably by repealing the pass laws and system of influx control. Repeal removes one of the principal pillars of apartheid, demolishes some of the barriers between richer urban insiders and poorer rural outsiders. They constitute a major step towards the abolition of statutory apartheid and the normalisation of our society.

The latest moves, however, have failed to impress large ections of the black South African community or of international opinion. In particular, many black leaders are refusing to participate in the interim political structures proposed by the government as a means of reaching the objective to which President Botha committed the National Party in his speech at the opening of Parliament, namely the negotiation with black leaders of a new constitution on the basis of an undivided Republic of South Africa, a universal franchise and one citizenship for all. Their refusal is to be explained partly by their bitterness at being excluded from the 1984 constitution, which accentuated feeelings of suspicion, cynicism and impatience. Among the international community, where lack of trust and cynicism also prevail, appreciation of what the State President has achieved tends to be further inhibited by a simplistic view of our problems.

The over-riding reason, however, for the reluctance of black people to participate in the reform process, and of the international community to endorse it, is that it fails to take account of the now widespread belief that the right of political participation has to be extended to all South Africans before interim constitutional discussions or negotiations can get under way. This belief, which is supported by the principal institutions of South African business, applies as much to the proposed new structures of government at the local, regional and provincial level as at the national level. Whatever improvements are made to their form, these structures will still have problems in establishing their legitimacy, and hence in attracting the participation of credible black leaders, until political prisoners and proscribed organisations are free to participate in political

That course carries the risk of a further escalation of violence But there is no course open to South Africa which does not involve risk. The least dangerous, I am convinced, is to confront the issue of politically motivated violence by opening up the opportunities for direct political action. There is encouraging evidence that if this were done, the majority of South Africans would wish to take part in the political process on a democratic basis, and would favour negotiation rather than violence.

A failure of nerve at this juncture will lead to a calamitous situation of political drift, with the economy sliding towards a state of siege as the initiative passes to the men of violence and the international pressures to change us or isolate us steadily

It is difficult to avoid the conclusion that the piecem approach to reform, whatever virtues it may once have had in terms of electoral expediency, has reached the limit of its usefulness. I believe that the unbanning of political parties and the freeing of political prisoners will not be sufficient to get the constitutional negotiations properly under way, nor to mi the threat of further sanctions. The residual elements of apartheid as well must be expunged from the statute book. I

old urge the government therefore publicly to commit itself as it did with the pass laws - to the repeal of the Group Areas, Separate Amenities, Population Registration and Land Acts within a fixed time. Once that goal is in sight, negotiations could begin on the framework of a new constitution which would establish and guarantee the rights and freedoms of all people irrespective of colour, according to the principles so admirably set down by the State President earlier this year.

Industrial relations

It is worth recalling here that when black trades unions became free to participate in the collective bargaining system they proceeded to represent their members' interests in what nd-large were democratic structures and in an increasingly mature way. While the process by no means has been easy, the experience has shown that disparate groups can come together presenting very different proposals, and reach agreements acceptable to all parties. In essence, the political negotiations at the centre will require the same goodwill and desire for

Naturally, all this cannot proceed in an environment clouded by the restrictions imposed by a state of emergency. No one should doubt, however, that the attempt to replace apartheid with a functioning democracy, supported by an economic system capable of creating wealth on the requisite scale, will be extraordinarily difficult, not least because some of those who now practise violence for their own political ends will not easily be persuaded to foresake violence – indeed their attempts to thwart evolutionary change are likely to grow in proportion to its success. In no way is this to excuse or condone the measures that have been taken: it is simply to point out that it is naive to suppose that the building blocks of the reform process can be put in place, or be given a fair chance to work without some protection against attack from extremists on both sides. It must be emphasised, however, that such protective measures will enjoy widespread support only when full democratic opportunities and the rule of law prevail.

While the will of the South African government and political parties will be the major factor in determining the success of this transition, the international community can make an important transition, the international community can make an important contribution to it. We must hope that western nations, in particular, will not allow themselves to be pressured into adopting punitive measures which would undermine both the transitional phase and the success of the post-apartheid society. The West as much as South Africa needs to take decisions that are soundly informed by a strategic vision of their long-term consequences. Any action taken now, primarily as an emotional response to the gravity of the situation here, is bound to be at the expense of freedom and justice in South Africa, for if our nascent and fragile democratic institutions are denied a strong nascent and fragile democratic institutions are denied a strong economic underpinning they will certainly give way to tyranny.

Business community's concern

The interdependence of economics and politics in South Africa has never been more apparent, nor more unyielding. Even Africa has never occurrent apparent, not more differential.

if we could resume a satisfactory rate of economic growth, it would prove short-lived in the absence of political stability; and I fear that the finest constitution in the world would fail unless. the new South Africa could offer its citizens improving standards of living. The business community has found it necessary to concern itself increasingly in matters of public policy, to help create conditions in which economic and political progress can go hand-in-hand. That, surely, is a goal that unities

Anglo American Corporation of South Africa Limited incorporated in the Republic of South Africa Registration no. 01 05309 06

Copies of the Chairman's Statement are being posted to registered shareholders. **Head Office** 44 Main Street. Republic of South Africa

London Office 40 Holborn Viaduct London EC1P IAJ: